1 2 3 4 5 6 7	JOHN C. ULIN (SBN 165524) Email: julin@troygould.com RUSSELL I. GLAZER (SBN 166198) Email: rglazer@troygould.com ANNMARIE MORI (SBN 217835) Email: amori@troygould.com CHINELO N. IKEM (SBN 343780) Email: cikem@troygould.com TROYGOULD PC 1801 Century Park East, 16th Floor Los Angeles, CA 90067-2367 Telephone: (310) 553-4441 Facsimile: (310) 201-4746						
8 9	Attorney for Plaintiff PLANET GREEN CARTRIDGES, INC.						
10							
11	UNITED STATES DISTRICT COURT						
12	FOR THE CENTRAL DISTRICT OF CALIFORNIA						
13							
14	PLANET GREEN CARTRIDGES, INC., a) California corporation,	CASE No.:					
15		COMPLAINT FOR DAMAGES:					
16	Plaintiff,	1. Violation of the Lanham Act, 15					
17	$ _{\mathbf{v}}$ .	U.S.C. § 1125;					
18	}	2. Common Law Unfair Competition;					
	AMAZON.COM, INC., a Delaware corporation; AMAZON.COM SERVICES	3. Unfair Competition in Violation of California Unfair Competition Law –					
19	LLC, a Delaware limited liability	Unlawful and Unfair Prongs (Cal. Bus.					
20	company; AMAZON ADVERTISING	& Prof. Code § 17200, et seq.);					
21	LLC, a Delaware limited liability company; and DOES 1-25, inclusive,	4. Violation of California False Advertising Law (Cal. Bus. & Prof.					
22		Code § 17500, et seq.)					
23	Defendants.	DEMAND FOR JURY TRIAL					
24		DEMAND FOR JUNE 1 KIAL					
25							
26	COMES NOW Plaintiff, PLANET GREEN CARTRIDGES, INC. ("Plaintiff" or "Planet Green"), with knowledge of its own actions and events, and upon information						
27							
28	and belief as to other matters, and alleges as	follows against Defendants					

AMAZON.COM, INC., AMAZON.COM SERVICES LLC, AMAZON ADVERTISING LLC and DOES 1-25, inclusive (collectively, "Defendants"):

I.

# **INTRODUCTION**

- 1. This action arises out of Defendants' persistent violation of their own policies, federal and state laws, and stated environmental objectives, by the false claims of new built clone cartridges as being remanufactured and sold as recycled product on a mass scale. The products, almost all of which are made in China, are not original equipment manufacturer ("OEM"), but are new built clone printer ink cartridges, falsely listed and labeled as remanufactured and sold as recycled product, deceiving millions of Amazon's customers in California and throughout the United States.
- 2. Plaintiff presented Defendants with uncontroverted evidence outlining numerous brands of printer ink cartridges Plaintiff purchased on Amazon as test purchases, which demonstrated that Defendants were falsely advertising, making unsubstantiated environmental claims, and selling clone cartridges falsely represented as remanufactured, in violation of Amazon's policies, federal and state laws, and engaging in conduct antithetical to Amazon's environmental mission and efforts. Defendants' response to Plaintiff's evidence was essentially that they are immune from liability for publishing third-party content on their platform under the Communications Decency Act, 47 U.S.C. section 230. But, as set forth further below, this contention is just wrong.
- 3. Plaintiff requested Defendants, per their own policies, remove or suspend sellers of misrepresented clone cartridges outlined in Plaintiff's presentations of evidence until they authenticated that their cartridges were actually remanufactured. Instead, Defendants continue to allow unlawful sellers to maintain their accounts, permit them to advertise, promote their products with Defendants' endorsement, and Defendants provide fulfillment services, "sold by Seller and fulfilled by Amazon." In a Zoom meeting on May 26, 2023, Defendants told Plaintiff that they had asked brands that could not substantiate claims of being remanufactured or recyclable to change their product

descriptions to continue to sell on the platform. But the deceptive practices have not changed, and Defendants continue to allow sellers that have deceived millions of consumers with its false advertising and recyclability claims to sell clone ink cartridges over Amazon.

4. Moreover, Defendants themselves promote, distribute, fulfill, advertise, and sell the illicit clone cartridges identified in Plaintiff's presentations of evidence, including through their Amazon Warehouse Program. Defendants use the same false descriptions used by other sellers in describing the clone ink cartridges they sell. Defendants' deep involvement in the sale, distribution and promotion of these clone cartridges renders them liable for the unlawful manner in which they are promoted and sold.

# II.

## THE PARTIES

- 5. Plaintiff, PLANET GREEN CARTRIDGES, INC., is a corporation organized under the laws of the State of California, with its principal place of business in Chatsworth, California. For the last 23 years, Planet Green has been an industry leader of wholesale, high-quality, United States remanufactured ink cartridge products. Planet Green remanufactures ink cartridges using only OEM cores that are collected from schools, businesses, and consumers throughout the United States. The remanufactured ink cartridges sold by Planet Green are authentic recycled products.
- 6. Defendant AMAZON.COM, INC. is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at 410 Terry Avenue North, Seattle, Washington 98109-5210. AMAZON.COM, INC. markets and sells products to retail consumers all over the world through internet websites such as www.amazon.com, using various trademarks and brand names, including "Amazon."
- 7. Defendant AMAZON.COM SERVICES LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 410 Terry Avenue North, Seattle, Washington 98109-5210. AMAZON.COM SERVICES LLC sells products to consumers through Amazon Warehouse that are

fulfilled by Amazon.com. Plaintiff is informed and believes that AMAZON.COM SERVICES LLC is a subsidiary of Defendant AMAZON.COM, INC. Defendants AMAZON.COM, INC. and AMAZON.COM SERVICES LLC are sometimes collectively referred to herein as "Amazon."

- 8. Defendant AMAZON ADVERTISING LLC is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at 410 Terry Avenue North, Seattle, Washington 98109-5210. AMAZON ADVERTISING LLC provides advertising services to third party sellers. Plaintiff is informed and believes that AMAZON ADVERTISING LLC is a subsidiary of Defendant AMAZON.COM, INC. Defendants AMAZON.COM, INC., AMAZON.COM SERVICES LLC and AMAZON ADVERTISING LLC are sometimes collectively referred to herein as "Amazon."
- 9. The true names and capacities of Defendants sued herein as DOES 1-25, inclusive, are unknown to Plaintiff. Plaintiff therefore sues these Defendants by such fictitious names. Plaintiff will amend this complaint to allege the true names and capacities of said DOE Defendants when ascertained. Each of these fictitiously named Defendants are responsible in some manner for the acts and conduct alleged herein and such Defendants proximately caused Plaintiff harm as alleged herein.

#### III.

#### JURISDICTION AND VENUE

- 10. This court has original jurisdiction over the subject matter of this matter under 15 U.S.C. section 1121 and 28 U.S.C. sections 1331 and 1338, because it is a civil action involving claims arising under the laws of the United States, including the Lanham Act, 15 U.S.C. section 1051 *et seq.*, and the court has supplemental jurisdiction over Plaintiff's state law claims under 28 U.S.C. sections 1338(b) and 1367(a), in that they form part of the same case or controversy that gives rise to Plaintiff's claims under the laws of the United States.
  - 11. This court also has original jurisdiction over the subject matter of this

action pursuant to 28 U.S.C. section 1332 because the amount in controversy exceeds \$75,000.00 and the parties are diverse in citizenship.

- 12. Venue is proper in this court pursuant to 28 U.S.C. section 1391(b) because a substantial part of the events or omissions giving rise to the claims at issue occurred in this judicial district and division, and because Defendants are subject to the court's personal jurisdiction with respect to this action.
- 13. The court has personal jurisdiction over each of Defendants because the causes of action asserted herein arise from Defendants transacting business in the State of California, contracting to supply and actually supplying services or things in the State of California and causing tortious injury in the State of California by virtue of their acts and omissions.
- 14. This court has personal jurisdiction over Defendants because they (a) have sold numerous products in the State of California and this district; (b) have caused tortious injury within the State of California and this district; (c) have practiced the unlawful conduct complained of herein, in part within the State of California and this district; (d) have regularly conducted and solicited business within the State of California and this district; (e) have regularly and systematically directed electronic activity into the State of California and this district with the intent to engage in business within the State of California and this district, including the sale and/or offer for sale to internet users within the State of California and this district; and (f) have entered into contracts with residents of the State of California and this district for the sale of goods.

#### IV.

## **FACTUAL ALLEGATIONS**

15. Since 1999, Planet Green has remanufactured ink cartridges in a state-of-the-art facility utilizing a painstaking process consisting of obtaining used OEM cartridge cores, thoroughly inspecting, cleaning, refilling the cartridges with new ink, testing for quality control, and packaging for resale. Planet Green is one of the last remaining printer cartridge remanufacturers in the United States. The United States once was the epicenter of thousands of printer cartridge remanufacturers, suppliers, and resellers. Due to the

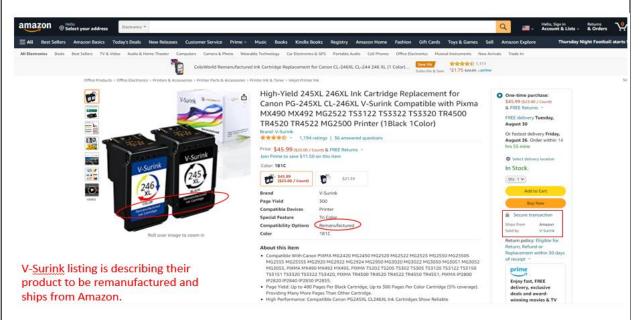
conduct of Defendants as the primary advertiser and distributor of the sale of inauthentic products from overseas as alleged herein, the United States printer cartridge remanufacturing industry has been eviscerated.

- 16. Prior to the filing of this action, Plaintiff put Amazon on notice of the wrongful conduct alleged in this Complaint. On June 23, 2022, Plaintiff provided a presentation of evidence to Amazon detailing how 18 brands and their numerous listings of aftermarket ink cartridges label new built single-use clone ink cartridges as "remanufactured," which are sold as a recycled product on their platform (sometimes referred to herein as "the illicit ink cartridges"). Plaintiff demonstrated that the same sellers are falsely advertising their listings, products, and packaging. Plaintiff also pointed out that the same sellers are misusing Amazon's own defined terms "remanufactured" and "compatible" for different types of printer cartridges by using them interchangeably, which is deceptive. Plaintiff offered Amazon an opportunity to do the right thing and stop the sale of falsely labelled clone printer cartridges that are deceiving consumers, harming the environment, and that have destroyed the once thriving printer cartridge remanufacturing industry. The original notice and presentation are attached hereto as **Exhibit 1**.
- brands of illicit clone ink cartridges as they continued to be available for purchase on Amazon's website. During this time, Plaintiff continued to purchase more ink cartridges that were falsely sold as remanufactured ink cartridges from Amazon. On December 9, 2022, Plaintiff sent a second presentation of evidence to Amazon, identifying a total of 82 brands of remanufactured ink cartridges that were purchased by Plaintiff. This presentation illustrates that Amazon has a category-wide issue with falsely labeled cartridges, promoted with unsubstantiated environmental claims, in violation of Amazon's listing policies, which deceive consumers. In addition, Plaintiff separately hand delivered its presentation of evidence on November 24, 2022, to Amazon's Chief Executive Officer Andy Jassy, through a mutual contact, informing him of the unlawful

actions that were taking place on Amazon's platform. The second presentation of evidence is attached hereto as **Exhibit 2**.

- 18. Amazon acknowledged receiving the second presentation of evidence asking for Plaintiff's test buy results to confirm the factual allegations, a baffling response considering that Plaintiff's presentations contained the test buy results. Amazon took the positions that the Amazon Seller Code of Conduct prohibits sellers from making false statements about products and that Amazon is not responsible for seller statements and is immune from liability for publishing third-party content on its platform under Section 230 of the Communications Decency Act, 47 U.S.C. § 230. These positions completely ignore the fact that Plaintiff notified Amazon of illicit clone ink cartridges and that the entire category of remanufactured printer cartridges is overrun by sellers who unlawfully misrepresent their products. In response, Amazon has provided nothing more than lip service, claiming, without action, that Amazon will enforce its rules and investigate.
- 19. The reason for the tremendous loss of an entire United States printer cartridge remanufacturing industry and Plaintiff's damages, is due to Amazon's direct participation in the unlawful practices detailed in this Complaint, which effectively prevent legitimate businesses from competing against the overwhelming proliferation of clone printer cartridges flooding the market through their website, fulfillment centers and warehouse program. Sellers are allowed to list multiple products claiming to be remanufactured OEM cartridges, frequently bearing the "recyclable" symbol, when in fact they are newly manufactured clone cartridges, not OEM product, and not in fact a recycled or recyclable product.
- 20. The following are some examples that were shared with Amazon, which illustrate how illicit brands and their sellers are defrauding consumers:
  - 1) Examples of new built clone ink cartridges falsely labeled as remanufactured and sold as a recycled product and ships from Amazon:

a. Amazon listing for V-Surink.



b. Ink cartridges, Plaintiff purchased on Amazon and fulfilled by Amazon.



V-Surink is claiming on their product and packaging to be a remanufactured product.

c. Below is a side-by-side comparison of Canon cartridges and V-Surink

and counterfeit remanufactured ink cartridges.

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PG-245XL FINE Cartridge

245xL

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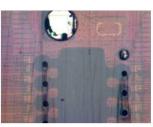
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Under Microscope V-Surink Cartridge Side-By-Side Comparison with OEM Cartridge Core

V-Surink
V-Surink Ink
Cartridge has

ink cartridges. The example shows the differences between OEM cores

Under a microscope the V-Surink circuitry and print nozzles are different.



OEM
The circuitry and print nozzle of the OEM.

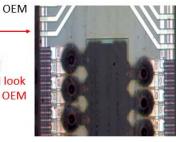
different circuitry

and print nozzles

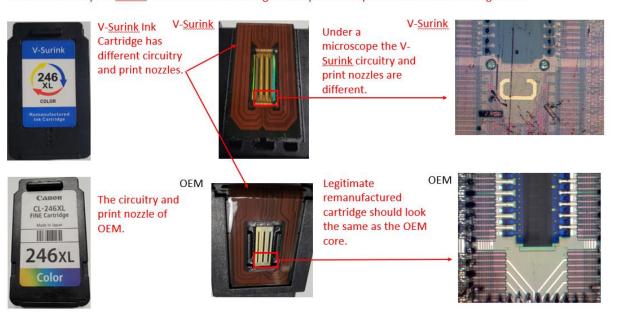
compared to OEM



Legitimate remanufactured cartridge should look the same as the OEM core.



Under Microscope V-Surink New Built Clone Cartridge Side-By-Side Comparison with OEM Cartridge Core



d. Another example of a counterfeit remanufactured ink cartridge

purchased from Amazon with side-by-side comparison with an OEM cartridge;





Side-by-side comparison between an original Canon cartridge and a new built non-OEM clone cartridge falsely labeled as a remanufactured and sold as a recycled product.



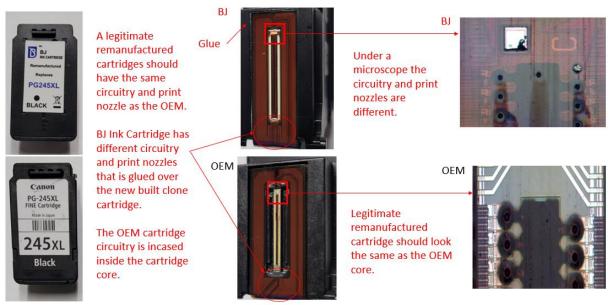


The OEM cartridge has Canon engraved in the core of the cartridge while the clone cartridge has no OEM markings and is made from clearly different plastic material.

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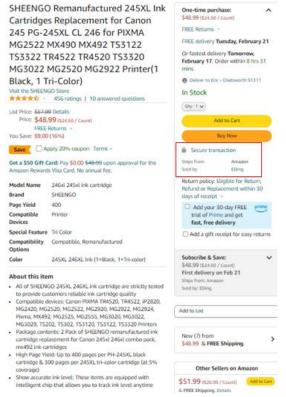




Example of an inaccurate and deceptive Amazon listing. Sheengo depicts 2) its box to look like a Canon box and claims to be remanufactured.



itself as a Canon OEM Cartridge and ships by Amazon.



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a. Below is the actual package and product that was received after a test purchase from Amazon. The package and product are significantly different than what is depicted in Sheengo's Amazon listing.

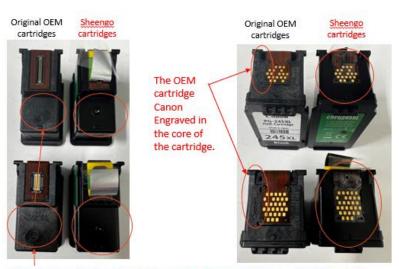
The inaccurate depiction of listing and what was received is in direct violation of Amazon's Ink and Toner listing policy where your listing and images must accurately describe your product.



b. Side-by-side comparison of Canon cartridges and Sheengo's ink cartridges show a significant difference between the OEM core and a new built non-OEM clone cartridges falsely labelled as a remanufactured product.



Side-by-side comparison between an original Canon cartridges and Sheengo's new built non-OEM clone cartridges sold as a remanufactured product.



The OEM cartridge has Canon engraved on the core of the cartridge. **Sheengo's** cartridges do not have any OEM markings and are clearly made from different plastic material.

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#### Under Microscope Sheengo's New Built Clone Cartridge Side-By-Side Comparison with OEM Cartridge Core

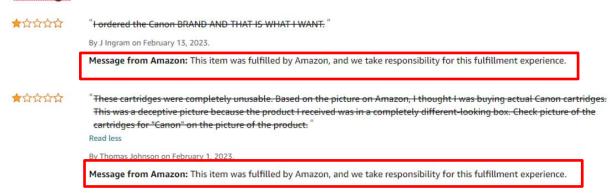


## Under Microscope Sheengo New Built Clone Cartridge Side-By-Side Comparison with OEM Cartridge



c. The customer's reviews below are examples of how Amazon strikes-out customers complaints and takes full responsibility for Sheengo's falsely advertised listings because products ship from Amazon.

#### **Sheengo Reviews**



3) Below are examples of ink cartridge sellers making unsubstantiated environmental marketing claims that violate Amazon's policies and FTC Environmental Marketing Green Guides.



clearly shows the cartridge is not remanufactured from an OEM core. <u>Greencycle</u> has no Canon markings and its clearly

made from different plastic material. It is a new built clone cartridge fraudulently labeled as remanufactured.

- 4) The illicit brands of ink cartridges offered for sale on Amazon misuse recycling logos. The brands use the chasing arrows recycling logo and do not insert the trash icon on their products and packaging without indicating whether the product or packaging came from recycled material or is a recyclable product.
  - a. Below are examples of how these symbols are used without support of their recyclability claims in violation of Amazon's policies and FTC Environmental Marketing Green Guides.



V-Surink misusing the recycling logo on its packaging and product deceiving customers it is a recycled product.



BJ Ink Cartridge deceives consumers that it is a recyclable product by using no trash icons and recycling logo on the product and packaging. There are no instructions on the packaging or product to indicate how and where to recycle this product.

BJ Ink Cartridge misuses the recycling logo on its packaging by not providing any clear understanding if packaging and product are made from recycled material or that they can be recycled.



5) Sellers misuse Amazon's defined terms to describe different types of printer cartridges, "remanufactured" and "compatible." Defendants in their listing policies define "compatible" to be a new built cartridge and "remanufactured," a used cartridge that has been taken apart, cleaned, and rebuilt. The example below is how sellers use the terms interchangeably deceiving consumers.



Inktopia Compatible Ink Cartridge Replacement for Canon 246XL CL 246 XL Cl-246Xl CL-244 (1 Color) for Canon PIXMA MG2520 MG2920 MG2922 MG2420 MG2522 MG2525 MG3020 MG2555 MX490 MX492 Printer

Price: \$23.99 Get Fast,	Free Shipping with Amazon Prime & FREE Returns 🗡
Brand	Inktopia
Color	Tricolor
Compatibility Options	Remanufactured
Page Yield	300
Special Feature	Tri Color
Compatible Devices	Printer
Ink Color	1 Tri color

21. Defendants' refusal to take meaningful steps to stop the sale of misrepresented clone cartridges has forced Plaintiff to resort to this litigation. Despite

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being the largest catalog marketer online, with vast resources, Amazon's efforts and willingness to stop clone cartridge sales have been so incredibly ineffective, rendering it effectively nonexistent.

22. In addition to the presentations to Amazon, Plaintiff offered Defendants an open invitation to see first-hand the counterfeit cartridges, at Plaintiff's remanufacturing facility, and how they are being identified as counterfeit. The following photographs were provided to Defendants of ink cartridges test purchased by Plaintiff:

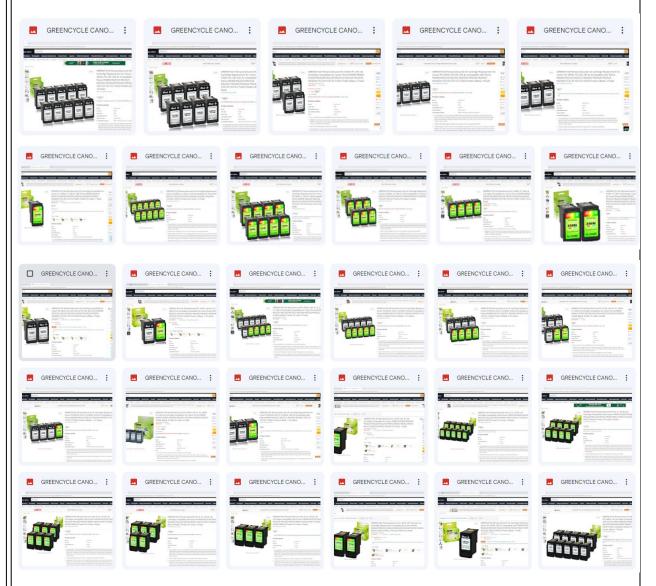


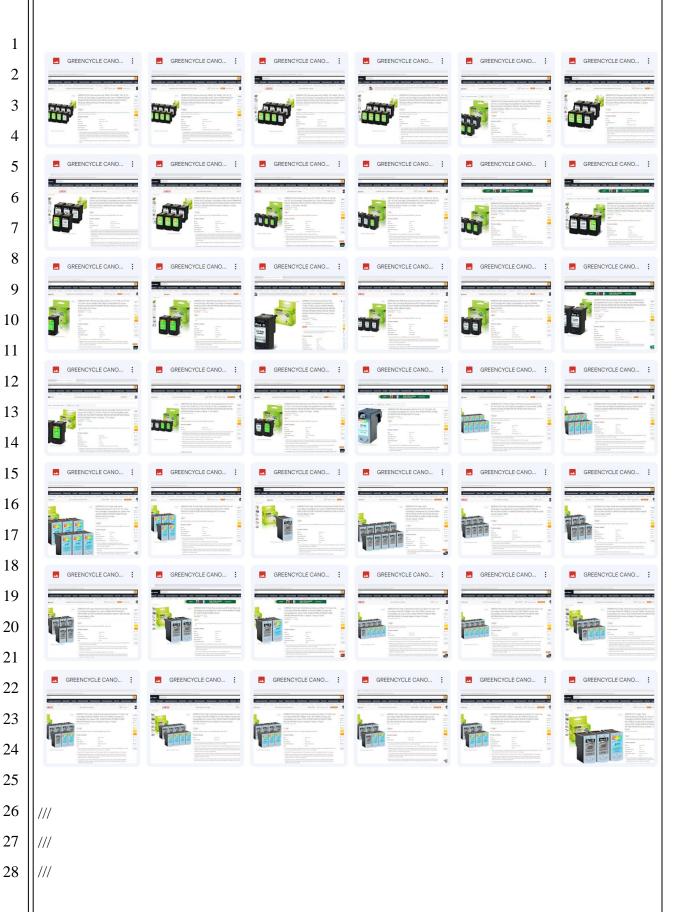


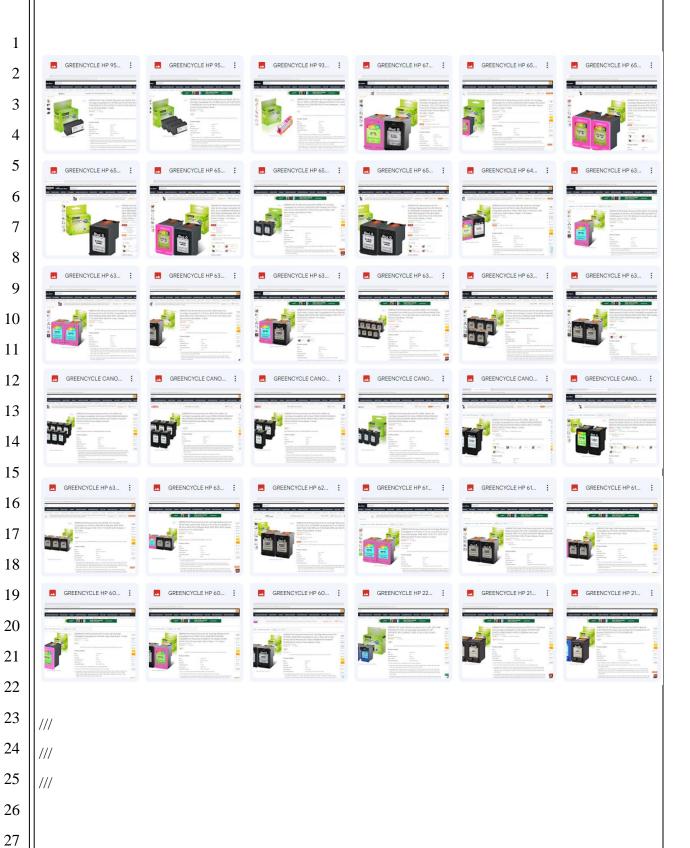
23. The following brands were found to be new built clone cartridges, falsely sold as "remanufactured" and recycled products:

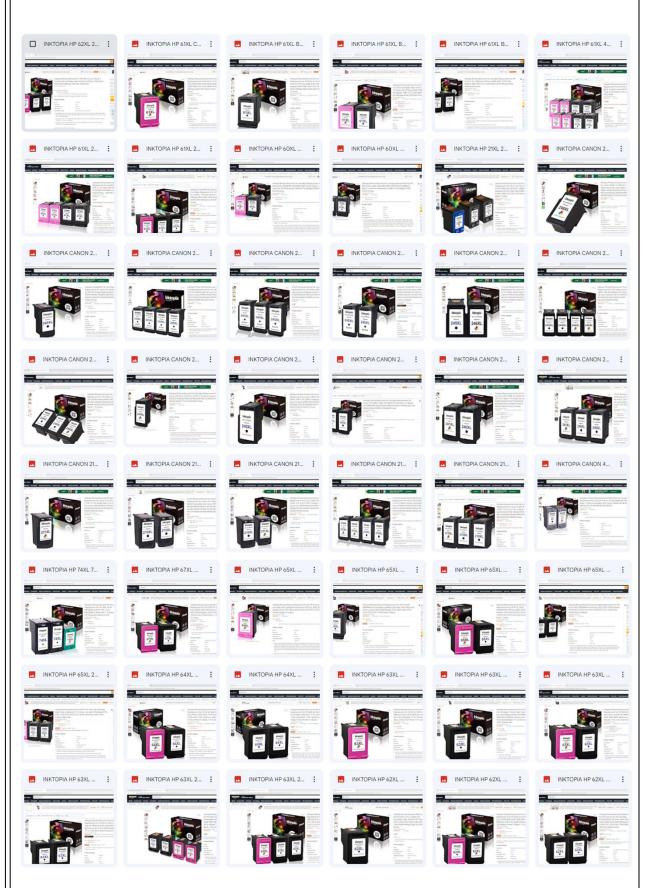
1. AAKidInk	10. FAcms	19. H&BO Topmae	28. Kolor Expert	37. Sellyaha
2. Ankink	11. Fastink	20. Inkni	29. Lucascolo	38. Sheengo
3. Batuto	12. Foiset	21. InkSpirit	30. Mooho	39. Upsek
4. BJ Ink Cartridge	13. Forzik	22. Inktopia	31. Novajet	40. Valker
5. BStink	14. Geshine	23. Insmax	32. OnlyU	41. ValueToner
6. CG Chinger	15. GPC Image	24. Jarbo	33. Palmtree	42. V-Surlink
7. ColorKing	16. Greenbox	25. Janmore	34. Reprinpic	43. Witop
8. CSStar	17. Greencycle	26. Jonity	35. Retch	44. Yatunik
9. Doreink	18. Incwolf	27. LxTek	36. Teino	45. Ejet

24. In addition, illicit brands of printer cartridges flood Amazon's platform with a variety of single and combo pack listings. Below is an example of how two brands, Greencycle and Inktopia, are creating multiple listings that saturate the platform:



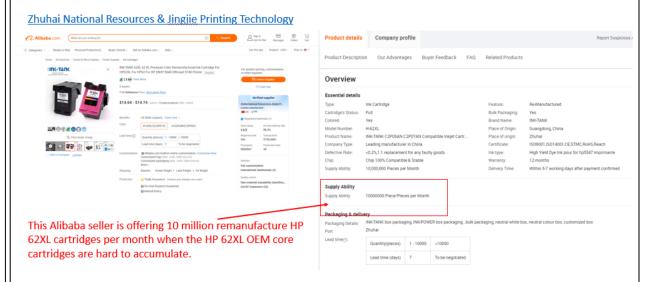






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25. Most, if not all, illicit clone ink cartridges originate from China. To remanufacture printer cartridges, you need to obtain viable OEM cores. It was pointed out to Defendants in the example below, remanufactured ink cartridges with availability in the millions per month are being sold wholesale on Alibaba for a single model. This is simply preposterous!



- 26. To remanufacture printer cartridges, a legitimate remanufacturer needs a significant number of empty viable OEM cores. In 2017, the Chinese government implemented Operation National Sword prohibiting the importation of plastic and solid waste which included empty printer cartridges. On information and belief, based on Plaintiff's 23 years of collecting and remanufacturing OEM cartridge cores, it would be impossible for one individual company to collect a singular specific cartridge model core and offer a remanufactured finished product in the quantity of millions per month.
- 27. In addition to the above listing on Alibaba, it was shared with Defendants that there are at least nine other sellers with listings on Alibaba that offer suspect remanufactured printer cartridges in absurd quantities, into the millions per month for a single cartridge model. Below are the companies:

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G. Zixingshi\_Heshun Technology Printing Materials Company

D. Uniplus Technology

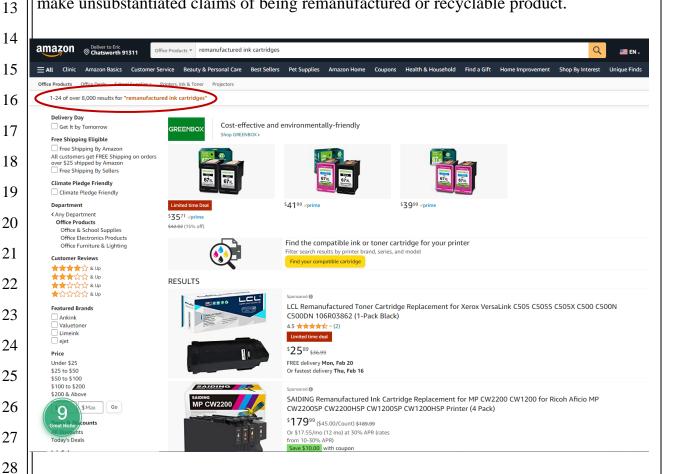
Corporation

A. Zhuhai National

Resources & Jingije

**Printing Technology** 

- B. Shenzhen Nolar Trade Development Company
- E. PK Printking
  Technology Company
- H. Tatrix International China Co, Ltd
- C. Shenzhen Michsan Technology Company
- F. Ebest Digital Technology
- I. Prospect Image Products Limited of Zhuhai
- 28. Amazon sells millions of purported remanufactured ink cartridges that originate from China. When conducting a search for "remanufactured ink cartridges" on Amazon, 8,000 total results were returned. The total number of remanufactured ink cartridge listings is actually much greater, based on how Defendants filter their search results. It is reasonable to say that most remanufactured ink cartridges listed on Amazon make unsubstantiated claims of being remanufactured or recyclable product.



- 29. Data captured from Jungle Scout, a third-party application that provides research and market intelligence on products offered for sale on Amazon, estimates that remanufactured ink cartridges alone generate \$3,233,555,328 in sales annually.
- 30. Defendants make it impossible for any legitimate printer cartridge remanufacturing company to compete when Amazon has a vested interest in keeping third-party sellers on its platform while facilitating the sale of illegitimate remanufactured ink cartridges on a mass scale regardless of whether they are misrepresented or violate federal and state law.
- 31. In the 1980s, the remanufacturing industry for printer cartridges was established in the United States. By mid-2000s, United States printer cartridge remanufacturing grew into an estimated \$7 billion industry boasting thousands of U.S. companies comprised of remanufacturers, used cartridge collectors, suppliers, resellers, trade publications and expos. The printer cartridge remanufacturing industry evolved as a solution to divert millions of used printer cartridges away from U.S. landfills generated by the original equipment manufacturers of printers and turned the waste into a low-cost, reusable product for the consumer.
- 32. Now the U.S. remanufacturing industry is on the verge of extinction. The anti-competitive behavior of Defendants is the driving force behind the proliferation of counterfeit remanufactured ink cartridges saturating the U.S. market, deceiving consumers, undercutting legitimate remanufacturers, and leaving the recycle stream with an overwhelming amount of plastic waste. This has caused great harm to the Plaintiff's growth opportunities because Plaintiff is dependent on the industry for the supply chain of materials needed for its remanufacturing process, as well as its wholesale network of resellers for their finished products. The blame for the destruction of an entire industry and direct harm to Plaintiff lies at the feet of Amazon, as a result of the sale of inauthentic printer cartridges, advertised, sold, and distributed by Defendants through their website.
  - 33. Further, the unsubstantiated claims that these cartridges being sold by and

on Amazon's platform are recyclable are particularly reprehensible, as these generic single-use clone brand printer cartridges do not offer any service to reclaim their used cartridges, leaving them to be thrown in the trash. It has been estimated that over 375 million printer cartridges end up in United States landfills each year, creating a massive amount of plastic waste. Generic branded single-use clone printer cartridges use up natural resources and release greenhouse gases during the production process. To manufacture one new printer cartridge, the process emits around 4.8Kg CO2 and uses up to a gallon of oil.

- 34. Defendants' ecommerce platform has empowered illicit overseas printer cartridge manufacturers, eliminating thousands of legitimate printer cartridge resellers, by selling direct to consumers. Since its inception, Plaintiff built a successful wholesale business as a vast printer cartridge reseller base nationwide. As set forth further below, Amazon plays an essential role in the sale and distribution of illicit ink cartridges.
- 35. In a traditional supply chain, a distributor, wholesaler, or retailer would serve as middlemen for overseas manufacturers to bring their products to market. Parties directly or indirectly involved in the sale of a product and disseminating advertising claims have a responsibility to ensure the product's claims can be proven. Amazon places itself between consumers and the third-party seller in the chain of distribution of products. Amazon approves seller listings, accepts possession of products, and stores it in its warehouses, attracts the customer to the Amazon website using third-party seller listings, provides customers with product listings for their searches, processes customer payments for the product, and ships products in Amazon packaging to customers.
- 36. Moreover, Amazon operates as a co-seller for third-party individuals, entities, or manufacturers who sell on its website. Amazon sets the terms of its relationship with the sellers; controls the conditions of the manufacturer's products offered for sale on Amazon; limits the seller's access to customer information forcing the

<sup>&</sup>lt;sup>1</sup> Bob Gorman, Ink Waste: The Environmental Impact of Printer Cartridges, Bob Gorman (March 30, 2017), https://energycentral.com/c/ec/ink-waste-environmental-impact-printer-cartridges/.

<sup>2</sup> *Ibid*.

seller to communicate with customers through Amazon; and demands indemnification as well as substantial fees on each purchase. Regardless of how Amazon labels itself in the selling process, one cannot help but conclude that they are indeed a seller of illicit clone ink cartridges to consumers.

37. Below are screen shots of Amazon's specific ink and toner selling policies that Defendants are not enforcing, allowing for deceptive product descriptions to rampantly take place across the category:

# Selling ink or toner cartridges

This page outlines requirements for listing ink or toner cartridges, and explains how to categorize them into appropriate sub categories on Amazon. Please see lnk or toner listing guidelines for additional information on how to appropriately list these products on Amazon.

## Category requirements

Amazon limits the types of ink or toner cartridges that sellers can list to ensure that customers are able to buy with confidence from sellers on Amazon.com. Please note the following requirements:

- Amazon prohibits sellers from listing ink or toner cartridges in "Refurbished" or "Used" condition. All listings, including remanufactured, refilled
  and compatible ink or toner, must be in "New" condition.
- Remanufactured, refilled and compatible ink or toner products must be listed as separate ASINs. You cannot use the same ASINs as the
  original/OEM ink or toner products. See Ink or toner listing guidelines for additional details.
- All ink or toner cartridges must be packaged in unopened retail packaging, and product images must accurately depict the retail packaging the
  customer will receive. Sellers are prohibited from listing ink or toner cartridges in open box condition or in inner factory foil packaging.
- All ink or toner products must be fully functional and free from defects that could render them unusable or harmful to printers (for example damaged, dried or leaking cartridges).
- Sellers may offer custom bundles of ink or toner cartridges (that are not manufacturer-created multipacks), provided each individual cartridge
  in the bundle is in its original retail packaging. A custom bundle must be listed as its own ASIN, with image, bullet points and product
  description clearly indicating that it comprises individual packs bundled together.
- · Please refer to the Product Bundling Policy for additional listing requirements.
- All major brands require UPCs. See Product UPCs and GTINs for further details, which includes requirements for products sold as bundles and requirements for products sold as packs.
- Best Before, Use Before, Use By, and Warranty Ends are all considered expiration dates. Expiration dates are the dates suggested by the
  manufacturer, and are printed on the product packaging, the product, or both.
- The expiration date printed by the manufacturer should be clearly visible when the product is shipped. Ink or toner, if they have an expiration
  date suggested by the manufacturer, should only be shipped to customers when the ink or toner is at least 180 days prior to the date of
  expiration. FBA sellers should ship their products to FBA reasonably prior to 180 days before the date of expiration.

#### Categorizing ink or toner cartridges

Categorize ink or toner cartridges according to the definitions below.

- 1. Same-Brand Ink or Toner Cartridge in Retail Packaging
- A same-brand ink or toner cartridge is manufactured under the same brand name as printer in which the cartridge is used (such as, HP, Canon, Epson, Lexmark, Brother, etc.).
- 2. Compatible Ink or Toner Cartridge
- An ink or toner cartridge designed to work with a particular printer, but was not manufactured under the same brand name as the printer in
  which the cartridge is intended to be used. These cartridges are produced using mostly new or all new parts and components.
- 3. Remanufactured Ink or Toner Cartridge
- A cartridge that has been used, remanufactured, and refilled with ink or toner. To varying degrees, the cartridge may have been taken apart, cleaned, and had parts replaced.
- 4. Refilled Ink or Toner Cartridge
- A cartridge that has been used and refilled with ink or toner. All of the cartridge's current components were manufactured by the same
  company that manufactured the printer in which the cartridge is intended to be used. The refilling process did not involve any disassembly,
  cleaning, or replacement of parts.

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Seller Central Help > Increase sales > Additional resources for increasing sales > Browse & Search > Consumer Electronics > The Consumer Electronics Store Style Guide > Subcategory Specifications > Ink or Toner

# Ink or Toner

On this page

Title

**Brand Name** 

Images

Feature bullets

Product description

To provide a great customer experience, sellers have to ensure the ASIN title, brand name, images, feature bullets and product description accurately describe the ink or toner product being listed. Failure to follow Amazon's listing guidelines could result in the removal of your listings or the loss of your selling privileges on Amazon. Please follow the below listing specifications as closely as possible, and please see Selling Ink or Toner Cartridges for details about category requirements, and to learn how to categorize your ink or toner products on Amazon.

## Title

A good title should be descriptive enough for a customer to make the purchase based on the information in the title alone. Avoid marketing content (free, exclusive, bonus, stylish, lightweight, heavy duty, etc.) or use of the title field to list hardware compatibility. Pay attention to title formats listed below for Remanufactured, Refilled and Compatible products to ensure appropriate usage of brand names.

#### Refilled Ink or Toner Cartridge

```
[Third Party Brand] + "Refilled" + [Product: Ink or Toner Cartridge] + "Replacement for" + [OEM Brand] + [Series Name] + [Model Name] + ([Color(s)], [#-Pack], if app)
```

#### Examples

- LD Products + Refilled + Ink Cartridge + Replacement for + HP + 02 + (Black, 5-Pack) = LD Products Refilled Inkjet Cartridge Replacement for HP 02 (Black, 5-Pack)
- Office 66 + Refilled + Toner Cartridge + Replacement for + Brother + TN-350 + (Black) = Office 66 Refilled Toner Cartridge Replacement for Brother TN-350 (Black)

#### Remanufactured and Refilled Ink or Toner Cartridge

```
[Third Party Brand] + "Remanufactured" + [Product: Ink or Toner Cartridge] + "Replacement for" + [OEM Brand] + [Series Name] + [Model Name] + ([Color(s)], [#-Pack], if app)
```

#### Examples

- LD Products + Remanufactured + Ink Cartridge + Replacement for + HP + 02 + (Black, 5-Pack) = LD Products Remanufactured Ink Cartridge Replacement for HP 02 (Black, 5-Pack)
- Office 66 + Remanufactured + Toner Cartridge + Replacement for + Brother + TN-350 + (Black) = Office 66 Remanufactured
   Toner Cartridge Replacement for Brother TN-350 (Black)

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- 38. Most of the illicit ink cartridges sold on Amazon are sold through Amazon's "FBA" services also known as Fulfillment by Amazon. Through FBA services, Defendants' store, pick, pack, ship, and deliver the products to customers in Amazon shipping envelopes and boxes. Amazon controls all customer service and returns and responds directly to consumers who leave negative reviews for products fulfilled by FBA.
- 39. Defendants control all aspects of selling and distribution of products through their FBA services. Amazon's Anti-Counterfeiting Policy, screenshot below, states "it is each seller's and supplier's responsibility to source, sell, and fulfill only authentic products." However, when FBA services are utilized, Amazon directly sells and fulfills inauthentic products.

Seller Central Help > Policies, agreements, and guidelines > Program Policies > Amazon Anti-Counterfeiting Policy

# Amazon Anti-Counterfeiting Policy

Products offered for sale on Amazon must be authentic. The sale of counterfeit products is strictly prohibited. Failure to abide by this policy may result in loss of selling privileges, funds being withheld, and disposal of inventory in our possession.

It is each seller's and supplier's responsibility to source, sell, and fulfill only authentic products. Prohibited products include bootlegs, fakes, or pirated copies of products or content; products that have been illegally replicated, reproduced, or manufactured; and products that infringe another party's intellectual property rights. If you sell or supply inauthentic products, we may immediately suspend or terminate your Amazon selling account (and any related accounts) and dispose of any inauthentic products in our fulfillment centers at your expense. In addition, we do not pay sellers until we are confident our customers have received the authentic products they ordered. We may withhold payments if we determine that an Amazon account has been used to sell inauthentic goods, commit fraud, or engage in other illegal activity.

We work with manufacturers, rights holders, content owners, vendors, and sellers to improve the ways we detect and prevent inauthentic products from reaching our customers. As a result, we remove suspect listings based on our own review of product. We also work with rights holders and law enforcement worldwide to take and support legal action against sellers and suppliers that knowingly violate this policy and harm our customers. In addition to criminal fines and imprisonment, sellers and suppliers of inauthentic products may face civil penalties including the loss of any amounts received from the sale of inauthentic products, the damage or harm sustained by the rights holders, statutory and other damages, and attorney's fees.

Amazon strives to ensure a trustworthy shopping experience for our customers. By selling on Amazon, you agree that:

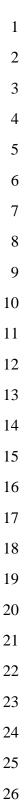
- The sale of counterfeit products is strictly prohibited.
- You may not sell any products that are not legal for sale, such as products that have been illegally replicated, reproduced, or manufactured
- You must provide records about the authenticity of your products if Amazon requests that documentation

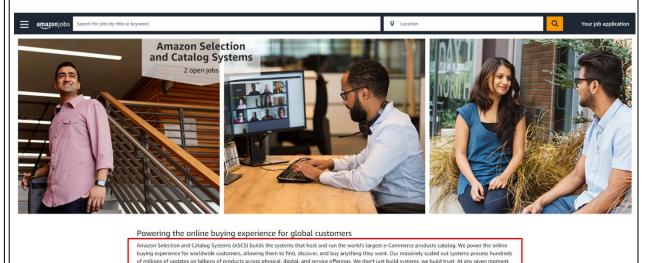
Failure to abide by this policy may result in loss of selling privileges, funds being withheld, destruction of inventory in our fulfillment centers, and other legal consequences.

#### More information

- Sell Only Authentic and Legal Products. It is your responsibility to source, sell, and fulfill only authentic products that are legal for sale. Examples of prohibited products include:
  - Bootlegs, fakes, or pirated copies of products or content
  - o Products that have been illegally replicated, reproduced, or manufactured
  - Products that infringe another party's intellectual property rights

- Maintain and Provide Inventory Records. Amazon may request that you provide documentation (such as invoices) showing
  the authenticity of your products or your authorization to list them for sale. You may remove pricing information from
  these documents, but providing documents that have been edited in any other way or that are misleading is a violation of
  this policy and will lead to enforcement against your account.
- Consequences of Selling Inauthentic Products. If you sell inauthentic products, we may immediately suspend or terminate
  your Amazon selling account (and any related accounts), dispose of any inauthentic products in our fulfillment centers at
  your expense, and/or withhold payments to you.
- Amazon Takes Action to Protect Customers and Rights Owners. Amazon also works with manufacturers, rights holders, content owners, vendors, and sellers to improve the ways we detect and prevent inauthentic products from reaching our customers. As a result of our detection and enforcement activities, Amazon may:
  - · Remove suspect listings.
  - Take legal action against parties who knowingly violate this policy and harm our customers. In addition to criminal
    fines and imprisonment, sellers and suppliers of inauthentic products may face civil penalties including the loss of
    any amounts received from the sale of inauthentic products, the damage or harm sustained by the rights holders,
    statutory and other damages, and attorney's fees.
- Reporting Inauthentic Products. We stand behind the products sold on our site with our A-to-z Guarantee, and we encourage rights owners who have product authenticity concerns to notify us. We will promptly investigate and take all appropriate actions to protect customers, sellers, and rights holders. You may view counterfeit complaints on the Account Health page in Seller Central.
- 40. When Amazon was informed by Plaintiff regarding its category-wide issue of illicit brand ink cartridges sold on its platform, Defendants did not take any action as outlined in their own Anti-counterfeiting policy. Almost all of the illicit cartridges are sold through Amazon's FBA services, which presents a conflict of interest for Defendants to enforce or abide by their own policy as they profit from each item they fulfill.
- 41. Amazon is not a passive or neutral ecommerce marketplace; they are an online catalog marketer, driving traffic, promoting, selling, and distributing products. Defendants claim to strive to be Earth's most customer-centric company with customer reviews, one-click shipping, personalized recommendations and Fulfillment by Amazon. In becoming one of the most successful ecommerce platforms, Defendants have blurred the lines for the customers as to who is selling them products and, in fact, themselves become sellers. Below is an example of how Amazon describes itself when it places a job advertisement. Amazon claims to be the "World's largest e-Commerce products catalog."





millions of Amazon customers around the world rely on us to serve up the most up-to-date and complete product information

We are the team inventing solutions

Scale is a key component of our success. In order to deliver reliable and accurate product information for customers, we continuously stretch the limits of

distributed systems and big data processing to solve some of the hardest technical problems and unprecedented scale challenges. Our team develops technologies spanning parallel processing, storage, machine learning, natural language processing, and image recognition to overcome these challenges. As Amazon businesses continue to grow and diversify, the challenges only get bigger, requiring us to constantly innovate as there are no "textbook solutions."

re our roles and join us at the center of Amazon's e-Commerce universe, where we encourage you to think big and innovate on behalf of our custo

42. Defendants define performance targets and policies required to sell on their platform. Seller accounts can be deactivated when they do not comply with the required performance rates that include negative feedback. However, a seller can request the removal of negative feedback if it is related to delivery service provided by Amazon. Outlined in red, Defendants state in their FBA policies, "after reviewing the feedback, we might strike through the negative rating, and it will not reflect on your performance metrics." Whereas, their policy also states, "A merchant-fulfilled order on Amazon, even if submitted as a Multi-Channel Fulfillment order, is not eligible for buyer feedback strike-through."

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Seller Central Help > Get started with Fulfillment by Amazon (FBA) > FBA policies and requirements >

Buyers can leave feedback for sellers on orders that are fulfilled by Amazon just as they do for merchant-fulfilled orders. The Feedback Manager on the Performance tab lets you track buyer satisfaction with your service. You can view short-term and long-term metrics as well as detailed feedback entries with buyer comments and email addresses.

#### What happens when I receive a negative feedback on an AFN order?

When a buyer leaves negative feedback that is related to delivery service provided by Amazon, you can request for removal of the feedback. After reviewing the feedback, we might strike through the negative rating, and it will not reflect on your performance metrics. The buyer's comment will remain with a note from Amazon that states, "This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience."

However, if we find that any portion of the comment applies to the condition of your product as indicated on your listing (New, Used, etc.), or any service that you, instead of Amazon, provided or arranged to be provided to the buyer, the feedback and negative rating will remain without edits.

Please note that our policies prohibit any activity that would interfere with our capacity to help other sellers, including submission of high volumes of incorrect or speculative requests to Seller Support.

**Note:** The buyer feedback strike-through only applies to items sold on Amazon and fulfilled through the Amazon fulfillment network (AFN). A merchant-fulfilled order on Amazon, even if submitted as a Multi-Channel Fulfillment order, is not eligible for buyer feedback strike-through.

- 43. Defendants violate their own policies, creating content on sellers' listings by editing negative reviews, and taking responsibility beyond delivery related issues. Amazon takes responsibility when there is a negative review that relates to product defects or misrepresentation of product listings. For sellers who use Amazon's FBA services, the result is a beneficial manipulation of seller's performance metrics. This is deceptive to consumers as Amazon is acting as a seller of the product by taking responsibility for the product beyond mere fulfillment.
- 44. Below are examples of Amazon responding on behalf of the sellers selling the identified illicit brands of ink cartridges that did not have a delivery problem but did have false advertising and product defect issues:

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# 1 InkTopia Ink Cartridge 2 \*\*\*\*\* "The 21 cartridge does not work on the office jet 5610. Not as advertised, now I'm stuck with useless product. 3 By Warby on October 8, 2022. Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. 4 5 ColorKing Ink Cartridges 6 \*\*\*\* "Not original H P 64XL. They were remanufactured 64 black. This was misleading advertising. By Jean M. on December 9, 2022 7 Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. 8 9 10 EJet Ink Cartridges: 11 \*\*\*\* $^{''}$ the description said it would work on my HP 6958. It does not. I would like a refund, can you issue this? thanks, cb $^{''}$ 12 By cb on August 12, 2022. Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. 13 14 15 Ankink Ink Cartridges 16 \*\*\*\* 17 Black did not work, tried multiple head cleanings....did not try color cartridge but this is poor QC and now i have to drive 60" minutes round trip to return incurring \$15 of my gas n wear n tear to return a defective item this isn't right 18 By Thomas Maerz on January 24, 2023. 19 Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. 20 21 BJ Ink Cartridges 22 23 \*\*\*\* Does not print in the correct color. I was printing highlighted red text and it printed out black text with greenish highlight. Not satisfied with product which I used once. I would like to send the product back for a full refund. Read less 24 25 Message from Amazon: This item was fulfilled by Amazon, and we take responsibility for this fulfillment experience. 26 27 28

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45. Furthermore, Defendants specifically provide Environmental Marketing Guidelines, clearly stating sellers "must comply with all the applicable federal laws when listing and selling products on Amazon.com. You must also comply with state and local laws applicable to the jurisdiction into which your products are sold." The following is a screenshot of Defendants' Environmental Marketing Guidelines. Outlined in red are key policies. In its presentations to Amazon, Plaintiff demonstrated that the sellers of the illicit ink cartridges were blatantly violating Amazon's guidelines:

Seller Central Help > Policies, agreements, and guidelines > Program Policies > Product guidelines > Environmental Marketing Guidelines

# **Environmental Marketing Guidelines**

On this page
Highlights from the FTC Green Guides
California Law
Additional Resources

Remember: You must comply with all applicable federal laws when listing and selling products on Amazon.com. You must also comply with state and local laws applicable to the jurisdiction into which your products are sold. **Sellers using**Fulfillment by Amazon, please also see FBA Prohibited Products for additional product restrictions.

We want to make it easy for buyers to find, discover, and buy products that are marketed as environmentally friendly or "green." However, it is also important to provide buyers with information about those products that is accurate and trustworthy, and that is not misleading about the qualities or characteristics of a product that make it environmentally friendly or "green." To sell products that are marketed with environmental claims on Amazon.com, you must ensure that the marketing claims you make on your product packaging and on your product detail page meet not only all federal laws such as the FTC's *Guides for the Use of Environmental Marketing Claims* (known as the "Green Guides"), but also all applicable state and local laws that regulate environmental claims. These laws include California's law restricting the use of compostable- and biodegradable-related claims on plastic products.

We're providing the following highlights from the FTC Green Guides and California's law on environmental claims to assist you in reviewing the environmental claims that you may make about your products. These highlights are not designed to be comprehensive. You should review the FTC Green Guides and other applicable laws, regulations, and guidelines, as you remain responsible for ensuring that the claims made about your products are fully compliant.

# Highlights from the FTC Green Guides

- Avoid broad, general claims regarding a product's environmental benefits or qualities (ex., avoid "eco-friendly" or "environmentally friendly" or "green").
- All claims about a product's environmental benefits or qualities should be specific, and all qualifications (or limitations) to
  environmental claims must be specific, clear and prominently displayed (ex., "product is made from 20% recycled materials").
- · Narrowly tailor environmental claims so as not to overstate the environmental benefits or qualities
- · Avoid making environmental claims if the environmental benefits or qualities are negligible.
- · When making comparative environmental claims, the basis for the comparison must be clearly conveyed.
- Distinguish between products, packaging and services when making environmental claims (ex., packaging is 100% biodegradable).
- · Avoid making compostable claims without qualification if the product cannot be composted at home safely or in a timely way.

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- A general degradable or biodegradable claim should only be made if the entire product will completely break down and
  return to nature within a reasonably short period of time after customary disposal (or one year for solid waste products). If
  the product customarily ends up in landfills, incinerators, or recycling facilities, then a general biodegradable claim should
  not be made.
- An environmental claim that a product or packaging is made from recycled materials should accurately reflect the portion that is made from recycled materials (ex., "made from 20% recycled materials").
- Carefully consider certifications and seals and include the specific basis or environmental benefit for the certification whenever it is used. For questions regarding certifications, see http://ftc.gov/os/2009/10/091005revisedendorsementguides.pdf.

The FTC Green Guides also address other environmental claims, including: (1) Free-Of claims, (2) Non-Toxic claims, (3) Recyclable claims, (4) Renewable Energy claims, and (5) Renewable Materials claims. If you are making these or other environmental claims, please review the FTC Green Guides.

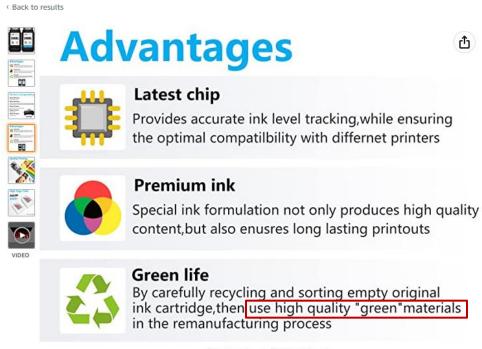
# California Law

- Plastic and bioplastic products sold into California can only be labeled as compostable, home compostable, or marine
  degradable if they meet the applicable ASTM standard or have the Vincotte OK Compost HOME certification. If your
  product meets the applicable ASTM or Vincotte standard, it should meet the additional labeling requirements as set forth
  by California law, and such information should be included on the product detail page.
- Plastic and bioplastic products sold into California may not be labeled as biodegradable, degradable, or decomposable, or imply that the plastic product will break down or decompose.
- · Amazon will restrict the sale of plastic and bioplastic products labeled with these prohibited terms into California.
- If you are a seller of a plastic and bioplastic product that meets the applicable ASTM or Vincotte standard, Amazon may
  require that you provide proof demonstrating that your and bioplastic plastic product meets such standards.

# Additional Resources

- FTC Green Guide Guidance
- California Public Resources Code Chapter 5.7 Plastic Products
- CalRecycle Degradable Plastic Labeling Requirements
- 46. The majority of the remanufactured ink cartridges listed and sold on Amazon make unsubstantiated environmental marketing claims violating federal law. Plaintiff has demonstrated to Defendants that new built clone printer cartridges are being misrepresented with false claims that they are remanufactured products, and false use of recycling symbols, icons, and environmental verbiage to deceive consumers into believing they are buying a recycled or a recyclable product. Plaintiff demanded that Amazon act and remove these illegal and deceitful listings, to no avail.
- 47. The following are examples of common practices used to deceptively describe a product without any way to substantiate the environmental claim.
  - A) The seller MeetRGB's product slides in its Amazon listing makes an

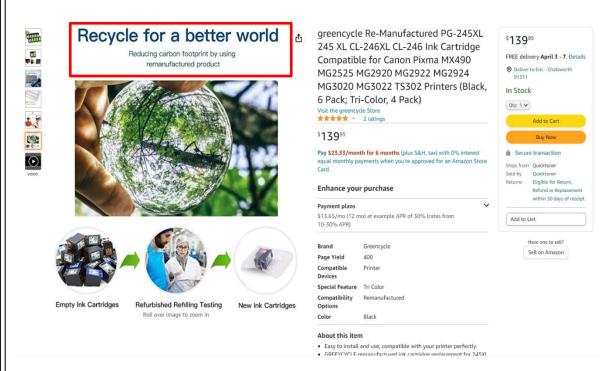
overstatement of its environmental attributes with a claim of using high-quality green materials and there is no way to substantiate this claim.





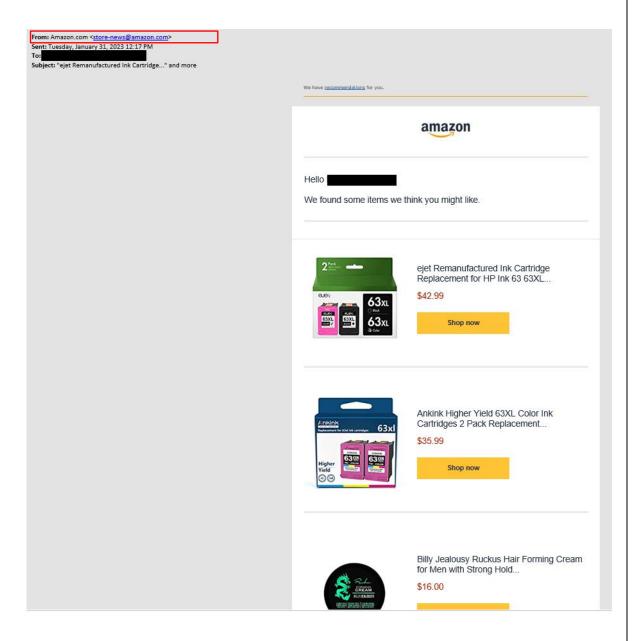
Roll over image to zoom in

B) Greencycle's listing claims it reduces its carbon footprint by using remanufactured product. Plaintiff has verified Greencycle falsely labels new manufactured clone cartridges as remanufactured and sells them as environmentally friendly product.



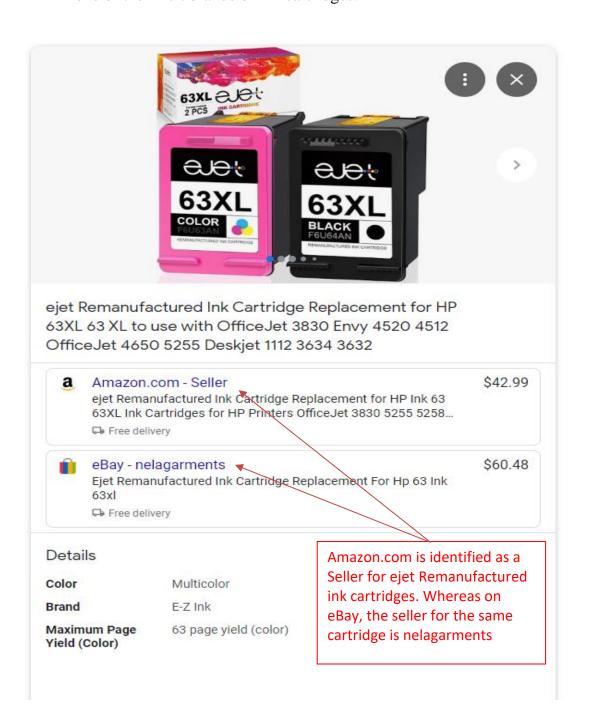
- 48. Amazon deploys a variety of advertising tools to reach and entice customers using sponsored ads, retargeting emails, and displaying ads which appear on search engines outside its platform. Amazon gathers customer data and search history to create promotional emails and search engine marketing content to drive traffic back to its website to induce customers to make purchases. In addition, Amazon has a special badge called Amazon's Choice, which endorses products. Amazon's advertising tools leave the impression products are being sold by Amazon making Defendants active sellers of the product.
- 49. Below are examples of content generated by Amazon's advertising services that promote the sale of illicit products on its platform, through email, and search engines using customers' digital information that only they hold.

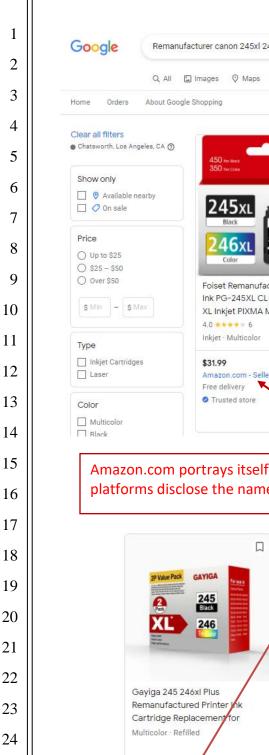
A. The following is an Amazon-generated email customized for a customer based on data collected from their search. This email contains two of the illicit brands identified by Plaintiff:

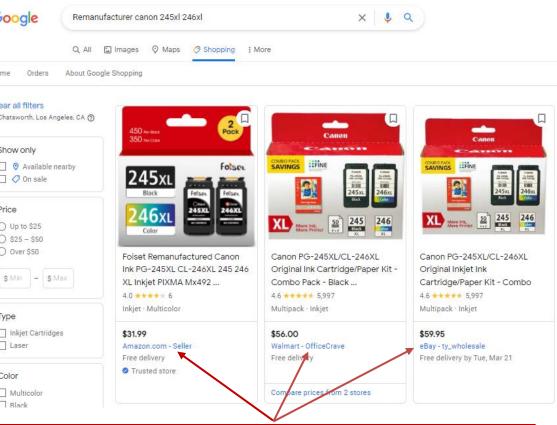


B. Amazon is one of Google's biggest advertising clients, using search engine marketing to target customers off its own platform with advertisements to draw traffic to Amazon's website. Unlike other online ecommerce platforms that sell third-party products, Amazon's advertisements do not differentiate themselves

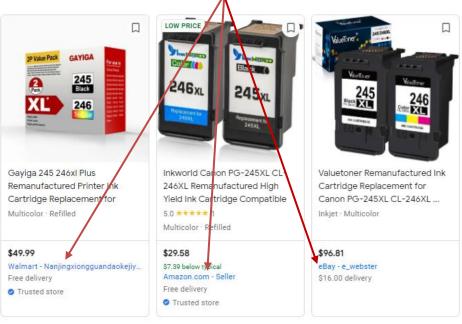
from the sellers on their platform. To the average consumer it appears Amazon is the seller of the product. Ejet is one of the brands that has been identified as one of the illicit brands of ink cartridges.







Amazon.com portrays itself as a seller. Whereas the other online ecommerce platforms disclose the name of the actual seller on their platform.



C. Defendants endorse products with their Amazon's Choice Badge which is content created by Amazon and placed on sponsored ads and on product listings, endorsing products based on customer feedback, highlighting ratings, price, popularity, availability, and delivery. Amazon controls most of these metrics when a seller uses Amazon's Fulfillment services. In one of the examples below, Amazon endorses seller FAcms with its "Amazon's Choice" badge, which was identified by Plaintiff as misrepresented clone ink cartridges.

# More from frequently bought brands

Sponsored (



FAcms Remanufactured
Canon 245XL Black Ink
Replacement for Canon
PG-245 PG-245XL PG...

★★★★ 370

Amazon's Choice

Amazon's Choice in
Inkjet Printer Ink Cartridges
\$34.99 (\$17.50/Count)

Verime



Limeink 3 Pack
Remanufactured PG245XL CL-246XL High
Yield Ink Cartridges (2...
★★★☆ 176
\$44.00 ✓ prime

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FAcms Remanufactured Canon 245XL Black Ink Replacement for Canon PG-245 PG-245XL PG 245XL 245 243 Ink Cartridge to use with Pixma MX492 MX490 MG2522 MG2520 MG2420 MG2920 MG2922 MG3022 Printer(2 Black)

Amazon's Choice for "facms canon 245xl black ink"

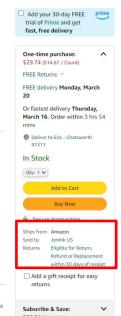
Was: \$34.99 Details Deal Price: \$29.74 (\$14.87 / Count) FREE Returns You Save: \$5.25 (15%)

Get a \$50 Gift Card: Pay \$0.00 \$29.74 upon approval for the

Brand FACMS Page Yield 400 Compatible Devices Printer Special Feature Compatibility Remanufactured, Compatible Options BLACK and BLACK Color

About this item

 Package Contents: 2 Packs of remanufactured black ink cartridges for Canon 245XL ink cartridges (2 Black)



Amazon's Choice

Side by side comparison between an original Canon cartridges and an Amazon's Choice remanufactured ink cartridges.

Amazon is promoting a counterfeit remanufactured ink cartridge deceiving customers with their recommendation

Original Canon **FAcms** cartridge cartridges PG-245XL FINE Cartridge 245XL 245XL MININ Black 245xL △ PG-245XL

> The OEM cartridge has Canon imprinted on the core of the cartridge.

Original Canon **FAcms** cartridges cartridge



FAcms cartridges do not have any OEM markings. The body is clearly different than the OEM. FAcms cartridges are new built clone cartridge. FAcms even uses different molds for its cartridges but list them as remanufactured deceiving customers.

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D. Amazon's Choice Brand endorsement is awarded to a deceptive product listing that violates Defendants' own listing policies. Palmtree is one of the brands of illicit ink cartridges that Plaintiff identified.

### Inspired by your browsing history



Ankink 246XL Ink Cartridge for Canon 246 CL-246 CL246 XL 246XL CL-244 244XL Color to Canon MX490 MX492... 食食食食食 57 \$42.99

Get it as soon as Thursday, FREE Shipping on orders over \$25 shipped by Amazon Only 1 left in stock - order...



Palmtree Compatible 245XL Ink Cartridge 2 Black Combo Pack Replacement for Cano... **食食食食** 2,561

Amazon's Choice Inkjet Printer Ink Cartridges \$45.99 (\$23.00/Count) Get it as soon as Thursday,

FREE Shipping on orders over \$25 shipped by Amazon



The Original Donut Shop Regular, Single-Serve Keurig K-Cup Pods, Medium Roast Coffee Pods. 24 Count (Pack o... 244 246 XL (1 Color)... ★★★★☆ 72,826 \$37.91 (\$0.39/Count) Get it Mar 6 - 8 FREE Shipping Only 10 left in stock - orde...



ColoWorld Remanufactured Ink Cartridge Replacement for Canon CL-246XL CL-★★★★ 1,175 \$22.89 Get it as soon as Thursday, FREE Shipping on orders over

\$25 shipped by Amazon

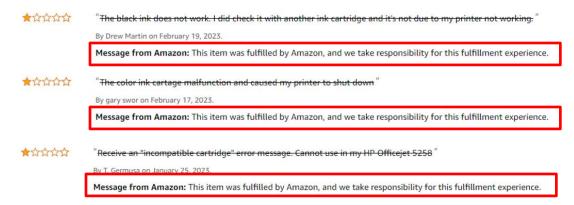


Amazon's Choice Badge is awarded to a deceptive product listing that violates Amazon's own listing policies.

Palmtree brand claims it is a "compatible," what Amazon defines in its listing policy as a new built cartridge. The image of the cartridge clearly makes the claim it is "remanufactured." This is deceptive to the consumer and a misrepresentation of the character of a remanufactured ink cartridge.

Amazon edits Palmtree's customer reviews that do not relate to its fulfillment services, striking-out negative feedback for product quality issues, manipulating performance metrics and ratings. This helps Palmtree's metrics to receive Amazon's endorsement.

### Palmtree Reviews



Amazon Awards its Amazon's Choice endorsement based on customer feedback which includes ratings, product availability, and fast delivery, criteria Amazon can unfairly manipulate when product is handled through its FBA services.

50. When a seller uses Amazon's FBA services, Amazon processes the return and can determine if the product can be placed back into inventory for resale. Outlined in Amazon's Reimbursements policy below, if Defendants reimburse a seller for any damaged, lost or returned product, Defendants can dispose of any item or sell it on the Amazon Warehouse, listed as "Sold by Amazon Warehouse and Fulfilled by Amazon."

### Reimbursements

If we determine that your reimbursement claim is valid, we will replace the lost or damaged item with a new item of the same FNSKU or we will reimburse you for it.

If a reimbursement was made in error, or if a reimbursed item is later found and returned to your inventory, Amazon reserves the right to reverse the reimbursement credit that was applied to your account.

We may dispose of any item for which we reimburse you under this policy, including by selling it. As a result, such items — including lost items that are found after reimbursement — may be listed for sale on Amazon Warehouse or other channels.

51. Amazon Warehouse offers deals on quality used, pre-owned, or open box products. Defendants claim, "For each used product we sell, we thoroughly test the condition of the item and provide detailed descriptions to make it easier for you to make a decision."

### amazon warehouse

Quality pre-owned, used, and open box products



Treat yourself to great deals

#### Frequently Asked Questions

#### What is Amazon Warehouse?

Amazon Warehouse offers great deals on quality used, pre-owned, or open box products. With all the benefits of Amazon fulfilment, customer service, and returns rights, we provide discounts on used iter for customer favorites; such as smartphones, laptops, tablets, home & kitchen appliances, and thousands more. For each used product we sell, we thoroughly test the condition of the item and provide letailed descriptions to make it easier for you to make a decision.

Looking for great discounts on some of your favorite items? Or prefer buying used because it is better for the environment? Discover Amazon Warehouse used offers via our storefront, search bar, or on

#### How do you evaluate a product's condition?

All of our products go through a quality check by us prior to being sold. We thoroughly test the functional and physical condition of each item and give the product a specific grade before selling it. We also inspect our products for missing accessories and packaging damage. Based on our quality check, each item will be assigned one of the four evaluations to describe its overall condition: "Like New", "Very Good", "Good", and "Acceptable".

#### How can I understand a product's condition?

Since each item is unique, we use detailed descriptions to help you better understand the item condition, by describing its appearance, functional qualities, accessories and packaging condition. We provide all the detailed information on the product condition right on the product detail page, to help you make your decision. Depending on the item condition, you will find that some items have even deepe

Used - Like New: An item in perfect working condition, the packaging may bear some damage. The item fully functions, and all its essential accessories are complete.

Used - Very Good: An item in very good condition that may have seen limited use and fully functions. The item may have minor cosmetic imperfections. It may arrive with damaged packaging or be repackaged and could be missing some non-essential accessories. Missing accessories are shown under individual item description

Used - Good: An item in good condition that may show wear from moderate use and fully functions. The item may arrive with damaged packaging or be repackaged. It may have minor cosmetic damage, such as a small scratch. The item may be missing some valuable accessories and it may not be used until those accessories are purchased separately. Missing accessories are shown under individual ite

Used - Acceptable: An item may have clear signs of usage but still serves its main function. Item may arrive with damaged packaging or be repackaged. The item may have cosmetic damages on it or show other signs of previous use. Signs of usage can include scratches, dents, and worn corners or edges. The item may be missing some valuable accessories, components or spare parts, and it may not be used until those parts are purchased separately. Missing parts are shown under individual item description.

### How can I return my product if I am not satisfied?

Your Amazon Warehouse purchases are covered under Amazon's Returns Policy. Just like with any Amazon purchase you make, if you are unsatisfied with the product for any reason, you can return the item in accordance with Amazon's Returns Policy. Since each item at Amazon Warehouse is unique due to its nature, we unfortunately will be unable to replace any item with its exact same condition, but we might have a similar item in stock, so don't forget to check!

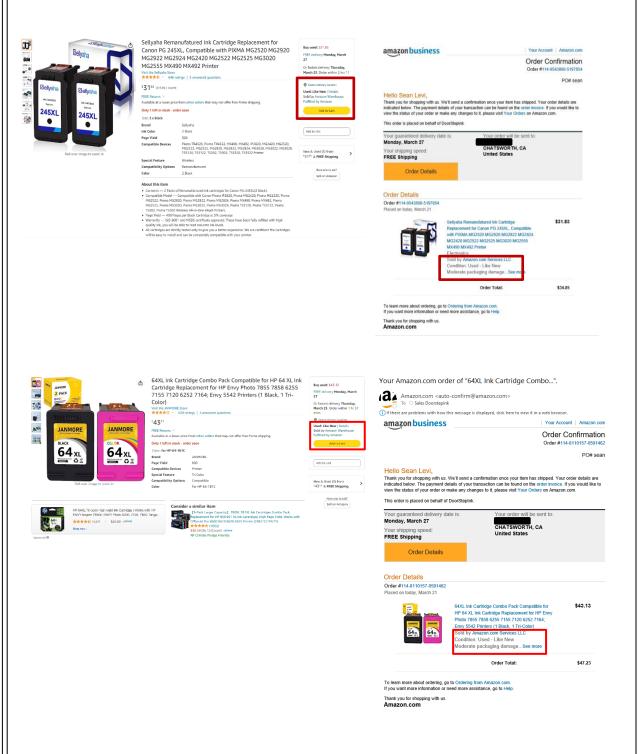
#### Your inventory keeps changing, is this normal?

Yes. Since we specialize in used, pre-owned, or open box products, we can't predict future availability for any specific item, so check back often and order quickly.

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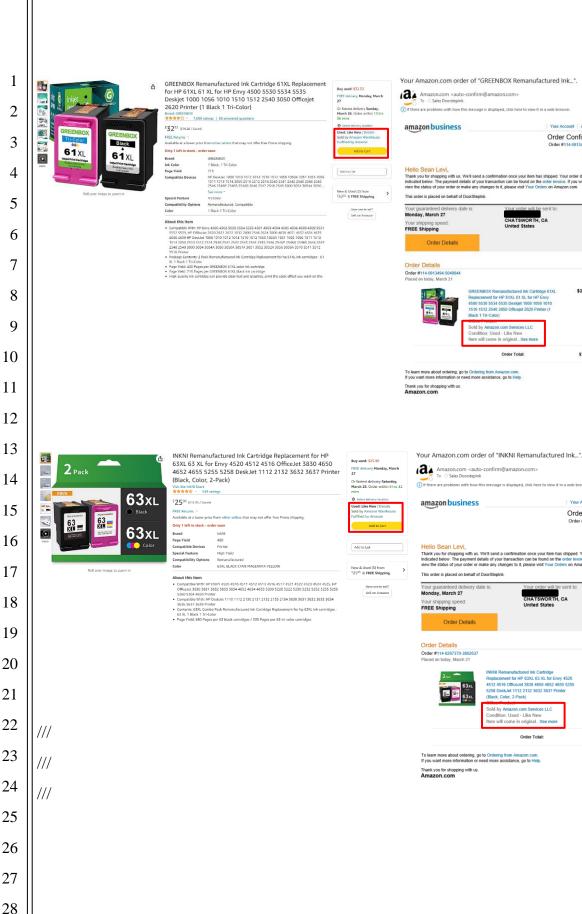
52. Below are examples of identified illicit brands of ink cartridges that were purchased by Plaintiff, sold by Amazon Warehouse and fulfilled by Amazon.

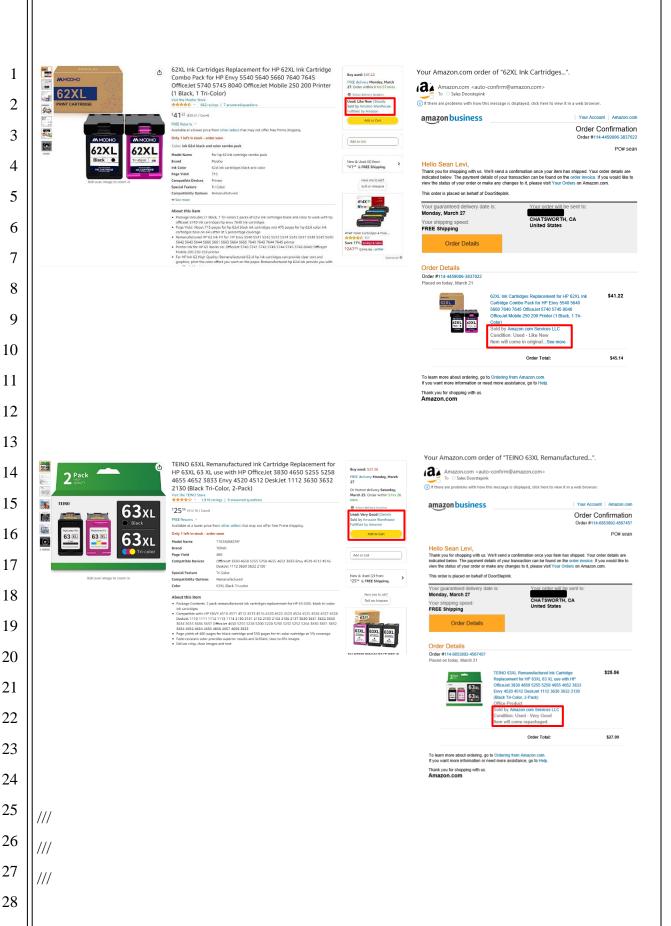


\$32.52

\$35.61

Order Confirmation





Your Amazon.com ord	ler of "Valuetoner Supply Ink"	"·
Amazon.com <auto< th=""><th>o-confirm@amazon.com&gt; k</th><th></th></auto<>	o-confirm@amazon.com> k	
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Thank you for shopping with us.  Amazon.com	need more dissistance, yo to rielp.	

- 53. As demonstrated above, sellers on Amazon use deceptive advertising and make unsubstantiated environmental claims regarding their products, and Defendants participate in the selling process, promotion, distribution, and dissemination of deceptively described and falsely labeled remanufactured printer ink cartridges.
- 54. Defendants are catalog marketers. Catalog marketing is a form of direct marketing in which consumers or business customers select and order products directly from a printed or online catalog, rather than a retail outlet. Defendants offer millions of products broken down in different categories in their online store to sell its many product offerings to consumers at any given time. As an online catalog store, Defendants bear responsibility for verifying the advertising claims and product authenticity of its third-party sellers.
- 55. Defendants are an advertising agency. Described in their own Amazon Advertising agreement they "govern Customer's access to and use of the Ad Services,

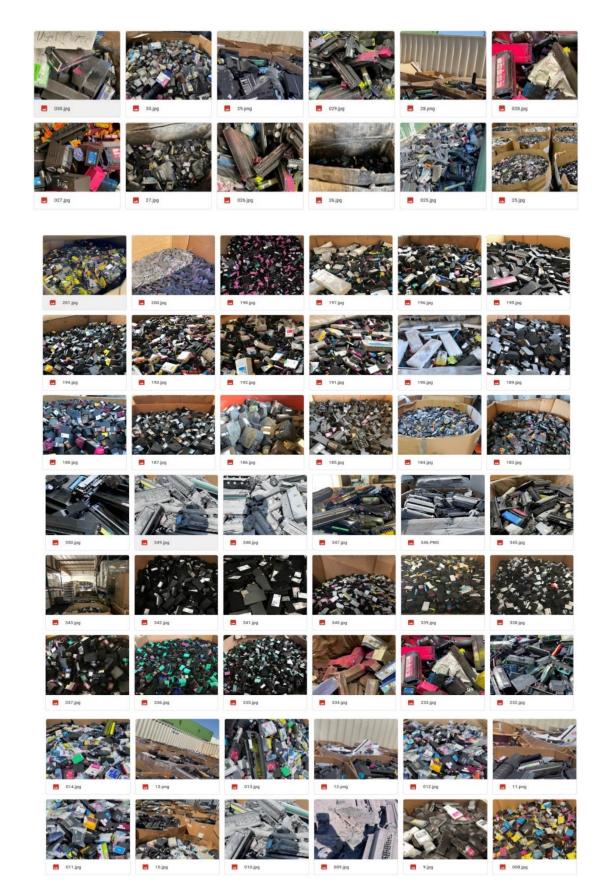
Advertiser. Defendants per its advertising agreement "may also reject or remove any Customer Materials or suspend any Campaign if: (a) the Customer Materials or Campaign violates the Ad Policies or this Agreement; (b) your account has been, or our controls identify that it may be used for deceptive or fraudulent or illegal activity; (c) Amazon believes the Customer Materials or Campaign would expose Amazon to liability; or (d) for other risk management reasons." Plaintiff identified ink cartridges falsely advertising themselves and Defendants continued to disseminate the false information through its Advertising services both on and off its platform.

- 56. While Defendants claim immunity under 47 U.S.C. § 230, this contention fails, among other reasons, because it ignores their exposure for violating Section 5 of the Federal Trade Commission Act (FTC Act) (15 U.S.C. 45), which prohibits "unfair or deceptive acts or practices in or affecting commerce." The prohibition applies to all persons engaged in commerce, including banks. Under Section 5 of the FTC Act, "third parties such as advertising agencies or website designers and catalog marketers also may be liable for making or disseminating deceptive representations if they participate in the preparation or distribution of the advertising or know about the deceptive claims." Defendants, in creating listing policies for selling ink and toner as described herein, clearly distinguish between a "remanufactured" and a "compatible" ink cartridge. In making this distinction, Defendants must know that any seller listing a product as a "remanufactured printer cartridge" would need to verify their cartridges are remanufactured from an empty OEM cartridges core to make such a claim, or otherwise risk liability for the promotion, sale, and distribution of a deceptively advertised product.
- 57. With direct participation in the sales and promotion processes, Amazon bears responsibility for the advertising, sale and distribution of illicit clone ink cartridges that have been destructive to the environment and continue to harm the remanufacturing

<sup>&</sup>lt;sup>3</sup> Federal Trade Commission Bureau of Consumer Protection, Advertising and Marketing on the Internet, Rules of the Road, p.2 (Sept. 2000); https://www.ftc.gov/system/files/ftc\_gov/pdf/bus28-rulesroad-2023\_508.pdf

printer cartridge market, including Plaintiff. Amazon is undercutting legitimate remanufactured cartridge sales while simultaneously devaluing used OEM cartridge cores to the point that it is no longer cost effective to collect, recycle and remanufacture them. This deceitful business practice directly harms Plaintiff while creating enormous amount of printer cartridge waste in the United States. If allowed to continue, the inevitable results will be Plaintiff's loss of its entire business, the annihilation of the printer cartridge remanufacturing industry, an increase in plastic pollution, and consumers will no longer have a low-cost, environmentally friendly option for print-consumable products.

- 58. Without a legitimate printer cartridge remanufacturing industry, consumers, recyclers, taxpayers, and the environment will continue to bear the cost of handling the plastic waste.
- 59. Before the sale of illicit printer cartridges, there was a vast market for remanufacturers to obtain empty OEM cartridge cores to remanufacture. In the United States there were thousands of cartridge brokers and electronic waste recyclers collecting and selling used printer cartridges to remanufacturers for upwards of \$32 per empty OEM cartridge core. Today, most if not all printer cartridge brokers are no longer in business and electronic waste recycling companies are avoiding collecting used printer cartridges as they have no monetary value and are considered waste. By contrast, Plaintiff receives more aftermarket single-use clone printer cartridge waste through its recycling collection services than viable used OEM cartridge cores to remanufacture, creating a substantial expense to handle material. Plaintiff made it clear to Defendants that they bear responsibility for selling and facilitating the sale of single-use clone printer cartridges, contributing to millions of plastic cartridges ending up in United States landfills each year. Plaintiff provided the following images to Defendants to illustrate the massive amount of printer cartridge waste it continually accumulates.



60. Amazon states "it is committed to and invested in sustainability because it's a win for the planet, for business, for its customers, and for communities." Yet, Defendants do not take any responsibility for millions of imported clone printer cartridges sold on their platform that are neither recycled nor recyclable. By contrast, OEM printer manufacturers offer a free "take back" recycling program to reclaim their used cartridges. Below is a screenshot of Amazon's stated commitment of "working to send less material to landfills and more back into the circular economy loop." Defendants' conduct is diametrically opposed to its purported commitment and constitutes "greenwashing" plastic printer cartridge waste they are responsible for selling, as well as destroying the remanufacturing industry, which plays a vital role for recycling cartridge waste in a circular economy.

amazon Sustainability

Our Approach 

Environment 

Society 

Governance Around the Globe Reporting and Downloads

Avoiding and Managing Waste

Sustainability / Environment /

Beyond our commitment to decarbonize our operations, we're working to send less material to landfills and more back into the circular economy loop. We've developed programs to optimize inventory management and to repair, repurpose, and donate usable items. We also rely on recycling and composting to enable the recovery of raw materials, and as a last resort, we seek to recover energy from any waste material that must be sent to landfill.



- 61. This action seeks to stop Amazon's direct and complicit behavior, which has caused significant damage to Plaintiff. Plaintiff brings this action under federal, state and/or common law and seeks damages and injunctive relief arising out of the Lanham Act for false advertising, California Business and Professions Code section 17200, *et seq.*, for unfair competition, false advertising, misleading environmental claims and deceptive practices, and for violation of California Business and Professions Code section 17500 for false advertising.
- 62. It is well documented that Amazon is plagued with counterfeit products. They have an anti-counterfeiting policy. Defendants created a Brand Registry to protect intellectual, copyright and trademark property rights. Defendants created their own Amazon Crime Unit (ACU) whose mission is to pursue counterfeiters worldwide. Conversely, when Plaintiff notified Defendants in great detail that their ecommerce platform is overrun with illicit printer cartridges, Defendants' efforts to halt the flow of millions of illegal products distributed from their warehouses across the United States can be described as meager at best. When illegal products are sold on Amazon, millions of consumers and businesses worldwide suffer while Defendants profit handsomely, adding to their multi-billion-dollar annual revenue and reported trillion-dollar valuation. Rather than enforcing their own policies and stopping the sale of these deceptively promoted products, Defendants facilitate their sales for profit. Defendants' failure to enforce their own policies, allowing sellers, and Defendants as sellers themselves, to easily circumvent their own rules, in violation of federal and state law.
- 63. The proliferation of illicit clone ink cartridges defrauds millions of customers by deceiving them into believing they are purchasing recycled products. The unlawful sale of new built clone printer cartridges labeled as remanufactured causes irreparable harm to legitimate remanufacturers who are committed to selling actual recycled ink cartridges to resellers worldwide. The sale of illicit clone ink cartridges is an enormous problem with a wide-spread negative impact. Amazon is not only aware of the problem of fraudulent or unlawful activities of sellers and warns its investors that

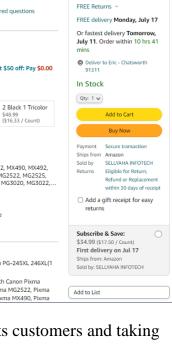
Amazon itself may be held liable for them in its 2018 10-K filing (pg. 14), but they condone it and conspire with sellers in order to make huge profits. Below is a screenshot from the 10-K report warning of liability concerns:

#### We Could Be Liable for Fraudulent or Unlawful Activities of Sellers

The law relating to the liability of online service providers is currently unsettled. In addition, governmental agencies could require changes in the way this business is conducted. Under our seller programs, we may be unable to prevent sellers from collecting payments, fraudulently or otherwise, when buyers never receive the products they ordered or when the products received are materially different from the sellers' descriptions. We also may be unable to prevent sellers in our stores or through other stores from selling unlawful, counterfeit, pirated, or stolen goods, selling goods in an unlawful or unethical manner, violating the proprietary rights of others, or otherwise violating our policies. Under our A2Z Guarantee, we reimburse buyers for payments up to certain limits in these situations, and as our third-party seller sales grow, the cost of this program will increase and could negatively affect our operating results. In addition, to the extent any of this occurs, it could harm our business or damage our reputation and we could face civil or criminal liability for unlawful activities by our sellers.

On January 24, 2023, Defendants' in-house counsel indicated that

Defendants are committed to protecting Amazon customers and ensuring the integrity of
its platform. Counsel wrote that Defendants were requesting that sellers of clone
cartridges substantiate their claims about their products being remanufactured and would
take action as appropriate based on that information. On May 25, 2023, Plaintiff and
Defendants met via Zoom. Defendants stated during the meeting that they had asked
sellers to substantiate their claims about selling remanufactured and environmentally
responsible ink cartridges. Third-party sellers who couldn't substantiate their product
claims were instructed to change their product listings. However, sellers were allowed to
continue to sell regardless of their history of defrauding consumers, and they were not
suspended for falsely using the recycling logo on newly manufactured products, in
violation of federal and state law. Below are before and after examples of listings by
Sellers who were instructed by Defendants to change their product listings.



One-time purchase:

& FREE Returns ~

Or fastest delivery Tomorrow, August 25. Order within 2 hrs 34 mins

August 30

In Stock.

\$35.99 (\$18.00 / Count)

FREE delivery Tuesday.

Add to Cart

Replacement within 30 days

Enjoy fast, FREE

☐ Add your 30-day FREE

fast, free delivery

One-time purchase:

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delivery, exclusive

Secure transaction

Ships from Amazon
Sold by SELLYAHA

of receipt ~

65. Contrary to Defendants' statements about protecting its customers and taking the allegations seriously, Defendants protected the offending selling partners instead of suspending them for the fraud that was being perpetrated on its customer and the harm it was causing the Plaintiff. Amazon was obviously more concerned with protecting its

profits from the distribution, sale, advertisement, fulfillment, and logistics services

associated with these illicit clone ink cartridges. The fact the Defendants instructed illicit sellers to change their description further illustrates how actively Amazon is involved in creating listings and promotional content as a partner of the sellers. It also reveals Amazon's willingness to allow sellers who have defrauded consumers for years to continue to escape responsibility and to continue selling clone cartridges and misrepresenting them.

66. Plaintiff seeks to enjoin Amazon's sale of the illicit ink cartridges, recover actual and statutory damages, a disgorgement of Defendants' profits, and other relief,

- actual and statutory damages, a disgorgement of Defendants' profits, and other relief, including attorneys' fees and costs. Plaintiff also seeks a recall of all the illicit ink cartridges sold by Amazon along with distribution of a notice to all affected customers that they received counterfeit, non-recyclable, new manufactured ink cartridges. Plaintiff seeks this relief because Amazon should be held accountable for facilitating the product dumping of inauthentic remanufactured ink cartridges, undercutting legitimate remanufactured cartridges, tarnishing remanufactured products' reputation by allowing the false labeling and deceptive advertising to take place, and defrauding unsuspecting customers that they were purchasing a recycled product.
- 67. Inasmuch as Defendants receive, store, pick, pack, ship, and deliver the illicit ink cartridges to customers, as well as handle transactions, returns, and respond to customer feedback, they have become part of the chain of distribution.
- 68. The list of items available on Defendants' website also known as the Amazon catalog is vast. Sellers offer their products for sale in a wide range of categories so that customers are able either to search for specific items or to browse through departments. Defendants have put in place restrictions, guidelines and policies for sellers to follow. Defendants control who can sell on its platform and Defendants can suspend and remove a seller who engages in unlawful acts. "To protect its customers and safeguard its reputation for trustworthiness, Amazon has invested heavily, both in terms of time and resources, to prevent fraud and abuse in, and to ensure the quality and

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authenticity of the products available in, the Amazon Store." (See Complaint, Amazon.com, etc., et al., v. Dhuog (W.D. Wash March 30, 2023), Case 2:23-cv-00484).

- 69. In light of their own fraud prevention policies, Defendants have the responsibility to verify all listings that claim to be "Remanufactured," and to substantiate any environmental claims being made. After Plaintiff put Defendants on notice about the deceptive and false labeling and advertising claims arising from the sale of illicit ink cartridges on the Amazon platform, including those products being promoted, endorsed, fulfilled and sold by Defendants through their Amazon Warehouse, there has been no perceptible change in Defendants' wrongful practices.
- 70. Defendants' lack of enforcement of their own rules and failure to carry out any punishment for violating their own policies only invites more bad actors to sell illicit products using unlawful business practices. Defendants' complicit behavior is causing great harm to Plaintiff by facilitating on a mass scale the flooding of falsely labeled single-use new built clone ink cartridge as "remanufactured" and selling them as recycled product, undercutting their market, tarnishing the reputation of remanufactured ink cartridge products, and clogging up the recycle stream with single-use printer cartridge cores that have no value.
- 71. The sale of the illicit ink cartridges constitutes false advertising, deceptive practices and unfair competition and violates Amazon's rules and stated environmental goals, as well as federal and state laws.

# **CAUSES OF ACTION**

### COUNT 1

# (Violation of the Lanham Act, 15 U.S.C. § 1125) AGAINST ALL DEFENDANTS

- 72. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 71 as though fully set forth herein.
  - 73. Defendants' conduct as described above constitutes the use of false

statements, false descriptions and representations of fact in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), that are likely to deceive and do in fact deceive the public into falsely believing that the illicit ink cartridges sold on Amazon are remanufactured, recyclable products.

- 74. Defendants' conduct as described above constitutes the using of false statements, false description and representations of fact in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), that are likely to deceive and do in fact deceive the public into falsely believing that the ink cartridges sold on Amazon are made from OEM cores.
- 75. Defendants' acts as described above constitute the using by each Defendant, in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), of words, terms, names, symbols and false and misleading descriptions of fact, and false and misleading representations of fact, which, in commercial advertising or promotion misrepresents the nature, characteristics or qualities of Defendants' goods, services or commercial activities.
- 76. As a result of Defendants' false and misleading advertising, Planet Green has suffered a direct diversion of customers and has been and will be deprived of substantial revenue in an amount to be determined at trial.
- 77. Defendants have caused and will continue to cause immediate and irreparable injury to Plaintiff, including injury to its business, for which there is no adequate remedy at law. As such, Plaintiff is entitled to an injunction under 15 U.S.C. section 1116, restraining Defendants, their agents, employees, representatives and all persons acting in concert with them from engaging in further acts in violation of section 43(a) of the Lanham Act, 15 U.S.C. section 1125(a), and ordering removal of the false advertising.
- 78. Plaintiff is entitled under 15 U.S.C. section 1117, to actual damages to be determined at trial, to have such damages trebled, to disgorgement of Defendants' profits, and costs of this action.

- 79. In the course of committing the wrongful acts alleged herein, Defendants made and are making false or misleading descriptions of fact or representations of fact and commercial advertisements about its own or another's product that was and is material, in that it is likely to influence the purchasing decision of consumers. Each such misrepresentation actually deceives or has a tendency to deceive a substantial segment of its audience, and each Defendant has placed a false or misleading statement in interstate commerce. Plaintiff directly competes with the sellers promoted by Amazon, and Amazon through its FBA services is a direct seller of the illicit ink cartridges. In addition, Defendants take possession of illicit clone ink cartridges, promotes, distributes, sells and fulfills the clone cartridges, including through its Amazon Warehouse website. Plaintiff has been and is likely to be injured as a result of Defendants' misconduct by direct loss and diversion of sales.
- 80. Defendants' wrongful acts as described herein were knowing, willful and egregious and continued despite Defendants' knowledge that they were illegal.
- 81. Plaintiff is entitled to injunctive relief, reasonable attorneys' fees and the costs of this action under sections 34 and 35 of the Lanham Act, 15 U.S.C. sections 1116 and 1117.

### **COUNT 2**

### (Common Law Unfair Competition)

### AGAINST ALL DEFENDANTS

- 82. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 81 as though fully set forth herein.
- 83. The wrongful conduct of Defendants as alleged herein constitutes unfair trade practices and unfair competition under the common law.
- 84. Defendants' conduct as described above has at all times been willful and/or knowing.
- 85. As a direct and proximate result of the actions of Defendants described herein, Plaintiff has been damaged and will continue to be damaged in an amount

according to proof at the time of trial.

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### COUNT 3

# (Unfair Competition in Violation of California Unfair Competition Law – Unlawful and Unfair Prongs (Cal. Bus. & Prof. Code § 17200, et seq.))

### AGAINST ALL DEFENDANTS

- 86. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 85 as though fully set forth herein.
- 87. Defendants have engaged and continue to engage in the acts or practices described above, including, but not limited to using false statements, false descriptions and representations of fact that are likely to deceive and do in fact deceive the public into falsely believing that the illicit ink cartridges sold on Amazon as described above are remanufactured products. This conduct is unlawful, fraudulent, and unfair, and constitutes unfair competition within the meaning of section 17200 of the California Business and Professions Code.
- 88. Additionally, the illicit ink cartridges sold by Defendants as alleged herein falsely claim they are environmentally sound or recycled products, which also violates section 17200 of the California Business and Professions Code. In light of the significant amount of plastic that is labeled as recyclable and instead ends up in landfills, incinerators, communities, and the natural environment, the Legislature of the State of California has declared that "it is the public policy of the state that environmental marketing claims, whether explicit or implied, should be substantiated by competent and reliable evidence to prevent deceiving or misleading consumers about the environmental impact of plastic products." Cal. Pub. Res. Code § 42355.5. The policy is based on the Legislature's finding that "littered plastic products have caused and continue to cause significant environmental harm and have burdened local governments with significant environmental cleanup costs." Id. § 42355.
- 89. California Business and Professions Code section 17580.5 makes it "unlawful for any person to make any untruthful, deceptive, or misleading environmental

marketing claim, whether explicit or implied." Pursuant to that section, the term "environmental marketing claim" includes any claim contained in the Guides for use of Environmental Marketing Claims published by the FTC (the "Green Guides"). *Id.*; *see also* 16 C.F.R. § 260.1, *et seq.* 

- 90. Under the Green Guides, "[i]t is deceptive to misrepresent, directly or by implication, that a product or package is recyclable. A product or package shall not be marketed as recyclable unless it can be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item." 16 C.F.R. § 260.12(a). This definition encompasses the three prongs of recyclability that are commonly used in the solid waste industry: (1) accessibility of recycling programs ("through an established recycling program"); (2) sortability for recovery ("collected, separated, or otherwise recovered from the waste stream"); and (3) end markets ("for reuse or use in manufacturing or assembling another item"). The California Public Resources Code similarly defines recycling as "the process of collecting, sorting, cleansing, treating, and reconstituting materials that would otherwise become solid waste, and returning them to the economic mainstream in the form of raw material for new, reused, or reconstituted products which meet the quality standards necessary to be used in the marketplace." *Id.* § 40180.
- 91. These definitions are consistent with reasonable consumer expectations. For instance, the dictionary defines the term "recycle" as: (1) convert (waste) into reusable material, (2) return (material) to a previous stage in a cyclic process, or (3) use again. Oxford Dictionary, Oxford University Press 2020. Accordingly, reasonable consumers expect that products advertised, marketed, sold, labeled, or represented as recyclable will be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item.
- 92. Defendants' conduct violates California Business and Professions Code section 17580.5, which makes it unlawful for any person to make any untruthful,

deceptive, or misleading environmental marketing claim. Pursuant to section 17580.5, the term "environmental marketing claim" includes any claim contained in the Green Guides. 16 C.F.R. § 260.1, et seq. Under the Green Guides, "[i]t is deceptive to misrepresent directly or by implication, that a product or package is recyclable. A product or package shall not be marketed as recyclable unless it can be collected, separated, or otherwise recovered from the waste stream through an established recycling program for reuse or use in manufacturing or assembling another item." 16 C.F.R. § 260.12(a). By misrepresenting that the Products are recyclable as described above, Defendants are violating Business and Professions Code section 17580.5.

- 93. By violating the FTC Act, Business and Professions Code sections 17500 and 17580.5, and the California Public Resources Code, Defendants have engaged in unlawful business acts and practices which constitute unfair competition within the meaning of Business and Professions Code section 17200.
- 94. Defendants have engaged and continue to engage in the acts or practices described herein, which are unlawful, and which constitute unfair competition within the meaning of section 17200 of the California Business and Professions Code.
- 95. Defendants have engaged and continue to engage in the acts or practices described above, all of which are unfair, irrespective of the violation of any other law, and which constitute unfair competition within the meaning of section 17200 of the Business and Professions Code.
- 96. Under California Business and Professions Code section 17200, *et seq.*, Plaintiff seeks injunctive and other equitable relief to require Defendants to cease their anticompetitive conduct, to restore fair competition, to deny Defendants the fruits of their illegal conduct, specifically, through restitution to prevent the resumption of that conduct or conduct with the same effect, to impose a civil penalty of \$2,500.00 against Defendants for each violation of Business and Professions Code section 17200, and to impose such other relief as may be just and proper for Defendants' violation of the California Unfair Competition law.

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### **COUNT 4**

# (Violation of California False Advertising Law (Cal. Bus. & Prof. Code § 17500, et seq.))

### AGAINST ALL DEFENDANTS

- 97. Plaintiff hereby incorporates by reference all of the allegations set forth in paragraphs 1 through 96 as though fully set forth herein.
  - California Business and Professions Code section 17500 states: It is unlawful for any person, firm, corporation or association, or any employee thereof with intent directly or indirectly to dispose of real or personal property or to perform services, professional or otherwise, or anything of any nature whatsoever or to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated before the public in this state, or to make or disseminate or cause to be made or disseminated from this state before the public in any state, in any newspaper or other publication, or any advertising device, or by public outcry or proclamation, or in any other manner or means whatever, including over the Internet, any statement, concerning that real or personal property or those services, professional or otherwise, or concerning any circumstance or matter of fact connected with the proposed performance or disposition thereof, which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading, or for any person, firm, or corporation to so make or disseminate or cause to be so made or disseminated any such statement as part of a plan or scheme with the intent not to sell that personal property or those services, professional or otherwise, so advertised at the price

stated therein, or as so advertised. Any violation of the provisions of this section is a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding two thousand five hundred dollars (\$2,500), or by both that imprisonment and fine.

Cal. Bus. & Prof. Code § 17500.

- 99. Defendants violated Business and Professions Code section 17500 by making or disseminating or causing to be disseminated before the public in this state, deceptive, untrue or misleading statements in connection with the sale of goods as alleged above and Defendants knew or in the exercise of reasonable care should have known such untrue or misleading statements were deceptive, untrue or misleading concerning the sale of nonrecyclable, non-OEM ink cartridges, all in a manner that was likely to mislead or deceive a reasonable consumer.
- 100. By reason of Defendants' deceptive, untrue, and misleading advertising, Plaintiff has suffered and will continue to suffer irreparable injury unless and until this Court enters an order enjoining Defendants from any further acts of deceptive, untrue and misleading advertising. Defendants' continuing acts of deceptive, untrue and misleading advertising, unless enjoined, will cause irreparable damage to Plaintiff in that it will have no adequate remedy at law to compel Defendants to cease such acts, and no way to determine its losses caused by such Defendants. Plaintiff is therefore entitled to a preliminary injunction and a permanent injunction against further deceptive, untrue and misleading advertising by Defendants. Brands found to have falsely labeled their products should be permanently removed and banned from further sale on Defendants' platform.
- 101. As a direct and proximate result of Defendants' deceptive, untrue and misleading advertising, Defendants have wrongfully taken Plaintiff's profits and its substantial investment of time, energy and money. Defendants therefore should disgorge all profits from the conduct alleged herein and, further, should be ordered to perform full

restitution to Plaintiff as a consequence of their deceptive, untrue and misleading advertising. Defendants' acts as described above constitute false and misleading descriptions and misrepresentations of fact in California, which, in commercial advertising and promotion, misrepresent the nature, characteristics and qualities of their products in violation of the False Advertising law in Business and Professions Code section 17500, *et seq*.

### **PRAYER**

WHEREFORE, Plaintiff prays for judgment and relief against Defendants, and each of them, as follows:

- 1. That the Court preliminarily and permanently enjoin Defendants from conducting their business through unlawful, unfair or fraudulent business acts or practices, untrue and misleading advertising, and other violations of law described in this complaint;
- 2. That the Court order Defendants to conduct corrective advertising and an information campaign advising consumers that the counterfeit ink cartridges do not have the characteristics, uses, benefits or qualities Defendants have claimed;
- 3. That the Court order Defendants to cease and desist from marketing and promotion of the illicit clone ink cartridges that state or imply the cartridges are recyclable;
- 4. That the Court order Defendants to implement all measures necessary to remedy the unlawful, unfair or fraudulent business acts or practices, untrue and misleading advertising, and other violations of law described in this complaint;
- 5. That the Court award damages to Plaintiff in a sum not less than \$500,000,000.00;
- 6. That the Court order Defendants to disgorge all profits from their unlawful, unfair or fraudulent business acts or practices, untrue and misleading advertising, and other violations of law described in this complaint, and an award of enhanced or treble damages, in an amount to be determined at trial;